



## Samvardhana MotherSON International Limited

(formerly MotherSON Sumi Systems Limited)

Head Office: C-14 A & B, Sector 1, Noida – 201301 Distt. Gautam Budh Nagar, U.P. India

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August 5, 2022

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No.C/1, G-Block  
Bandra-Kurla Complex  
Bandra (E)  
MUMBAI – 400051, India

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

**Scrip Code : MOTHERSON**

**Scrip Code : 517334**

**Subject: Annual Report of the Company for the financial year 2021-22 including Notice of 35th Annual General Meeting**

Dear Sir/ Madam,

This is to inform that 35th Annual General Meeting (“AGM”) of the Company is scheduled to be held on Monday, August 29, 2022 at 1515 hours (IST) through Video Conferencing and Other Audio-Visual Means in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year ended March 31, 2022 along with the Notice of AGM sent to the members through electronic mode, is attached.

The said Annual Report and Notice of AGM have also been uploaded on the Company’s website. Members may access the same at [www.motherSON.com](http://www.motherSON.com).

Thanking you,

Yours truly,  
For Samvardhana MotherSON International Limited  
(formerly MotherSON Sumi Systems Limited)

Alok Goel  
Company Secretary

Regd Office:  
Unit – 705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai – 400051, Maharashtra (India)  
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'The best  
is yet  
to come.'

**Annual Report**  
**2021-2022**

Year **2/5** of  
our **2025** plan

**Edition 35**

Samvardhana  
Motherhood  
International Limited

\*Formerly known as Motherhood Sumi Systems Limited

# Disclaimer.

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated for projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Samvardhana Motherson International Limited was formerly known as Motherson Sumi Systems Limited.

## Corporate information.

**(Late) Smt. S.L. Sehgal**  
Founder Chairperson

**(Late) Sh. K.L. Sehgal**  
Chairman Emeritus

**Board of Directors**  
**Mr. Vivek Chaand Sehgal**  
Chairman

**Mr. Norikatsu Ishida**  
Director

**Mr. Gautam Mukherjee**  
Independent Director

**Mr. Naveen Ganzu**  
Independent Director

**Ms. Rekha Sethi**  
Independent Director

**Mr. Velli Matti Ruotsala**  
Independent Director

**Mr. Robert Joseph Remenar**  
Independent Director

**Mr. Laksh Vaaman Sehgal**  
Director

**Mr. Shunichiro Nishimura**  
Director

**Mr. Pankaj Mital**  
Whole-time Director &  
Chief Operating Officer

**Chief Financial Officer**  
**Mr. Kunal Malani**

**Company Secretary/  
Investor Cell**  
**Mr. Alok Goel**  
investorrelations@motherson.com

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

**Registrar**  
KFin Technologies Limited (Formerly  
KFin Technologies Private Limited),  
Selenium Building, Tower B,  
Plot number 31 & 32, Financial District  
Nanakramguda, Serilingampally  
Mandal, Hyderabad – 500032,  
Telangana, India

**Auditors**  
S.R. Batliboi & Co. LLP,  
Golf View Corporate Tower-B,  
Sector-42, Sector Road  
Gurugram – 122002, Haryana, India

**Debenture Trustee**  
Axis Trustee Services Limited,  
The Ruby, 2<sup>nd</sup> Floor, SW, 29, Senapati  
Bapat Marg, Dadar West,  
Mumbai- 400 028, Maharashtra, India

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai- 400001,  
Maharashtra, India

### Bankers

- State Bank of India
- Axis Bank Ltd.
- Citibank N.A.
- DBS Bank India Ltd.
- HDFC Bank Ltd.
- ICICI Bank Ltd.
- Standard Chartered Bank
- MUFG Bank Ltd.
- Mizuho Bank Ltd.
- The Hongkong and Shanghai Banking Corporation Ltd.

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# Dear Shareholders,

**I would like to thank all of you for voting in favour of the reorganisation. The new structure marks an important step for Motherson and we are excited about the new chapter in our history that it represents. The past twelve months have been marked by continued turbulence in the global economy. Just as the COVID-19 pandemic had begun to loosen its grip on the world, unpredictable economic events and international political turmoil have caused considerable instability. Yet despite these challenges, Motherson has had a strong FY 2021-22 and has demonstrated resilient financial performance in this second year of our sixth 5-year plan. This strengthens our confidence in our ability to withstand difficult and uncertain circumstances.**

Consolidated revenue (from continuing operations) of your company for FY 2021-22 grew by 10% to INR 628 billion (USD 8.3 billion) amidst the challenging external environment. With the concerted efforts of our teams across the globe, we were able to protect our EBITDA margins and closed the year with INR 48 billion EBITDA at 7.7% margin (7.9% in FY 2020-21). Also, in line with our Vision 2025 targets, the dividend payout for FY 2021-22 has been declared at 58% of the consolidated profit after taxes from continuing operations.

The share of revenues from electric vehicles has increased to more than 4% of our revenues for FY 2021-22. This illustrates the confidence of our customers in our ability to develop solutions for this new segment of the automotive industry. Our existing product portfolio is aligned with all the latest vehicle technologies and our divisions are developing exciting

new solutions to address the future needs of our customers. Across our product portfolio, more than 98% of consolidated revenues are from products that are favourably positioned to capture growth from emerging trends. We believe this important shift in our industry is bringing great opportunities for Motherson. For more on this topic, please see the article 'Electrification' later in this report.

Our resilient results are due in part to the strong trust we have established with our customers around the world, who continue to offer us opportunities to grow and innovate. We also owe our success to the perseverance of our teams at every unit and in every office, who work diligently to support the OEMs with high-quality, durable products and expert service every step of the way. Our results fill us with pride and joy and strengthen our faith in our ability to achieve Vision 2025.

## Motherson 2.0

Last year, we shared with you our reorganisation programme to bring all our activities together under one listed entity, Samvardhana Motherson International Limited (SAMIL, formerly MSSL). These plans have now been implemented and we are very excited to begin a new chapter in our growth story called 'Motherson 2.0' with two separate listed entities- Samvardhana Motherson International Limited (SAMIL) and Motherson Sumi Wiring India Limited (MSWIL) listed on the Indian stock exchanges, that will chart their own growth paths.

The structure provides a new platform for growth, both in automotive and non-automotive businesses. It has also created a more unified group and has increased the potential to unlock additional synergies across our business divisions. This better positions Motherson 2.0 to achieve Vision 2025. In addition, it answers the call of our longstanding partner Sumitomo Wiring Systems, Ltd. to focus on the wiring harness segment in the Indian market.

## This year's theme – 'The best is yet to come'

In recognition of the opportunities that Motherson 2.0 brings, we have chosen 'The best is yet to come' as the theme of this annual report. We believe that the new structure will allow us to create even more value for all our stakeholders: our customers, employees, investors, partners and the communities that host our plants and offices. One such major opportunity is new energy vehicles: electrification is giving rise to entirely new modes of transportation, such as new types of delivery vehicles that require both, parts we already offer as well as innovative products and manufacturing solutions that we are well-positioned to deliver. In addition, our entry into new industries, based on existing competencies and customer relations, allows us to imagine and give shape to novel, value-creating solutions and long-term relationships in aerospace, medical technology, logistics and IT services.

In short, we believe the future is rife with opportunity for Motherson. We remain intensely focused on delighting our customers. We do this by meeting and exceeding

their immediate needs as well as understanding their road maps towards innovation. By reading between the lines to understand potential future needs, we are also developing solutions that help them adapt to a changing world. In the end, it is not about us: it is about our customers; it is about meeting their needs, helping solve their problems and supporting their success. That is how we hope and believe Motherson can enjoy lasting success as an organisation that our children and grandchildren are also proud to be part of.

## Thriving in an unpredictable world

Our belief in ourselves and the brightness of our future does not mean we are glossing over the challenges the world is presenting to us today. For example, chip shortages are still affecting numerous industries around the world, the automotive sector included. However, we do

not expect this to be a long-term problem as chip makers and governments are working hard to scale up semiconductor production capacity. Though the shortages may remain with us for a good part of this year, we expect gradual improvements as the year progresses. Overall, although global growth in car sales may presently be slow due







to current circumstances, production will eventually be ramped up to reduce backlog and meet pent-up demand.

In addition, we are currently witnessing the effect of geopolitical conflicts on the global economy and the COVID-19 pandemic is still wreaking havoc around the world. It is our mindset of flexibility and perseverance that allows us to evolve and remain resilient in the midst of such turbulence. It shines through in the ability of our teams to read the situation, adapt and respond in a way that best supports our customers and our employees.

Naturally, turbulence also creates opportunity. The current circumstances are taking a toll across our industry, which opens the door to new acquisitions. Our mergers and acquisitions teams are working very hard to evaluate the possibilities to determine if there is a good fit. Our assessment has always been that inorganic growth can serve as an effective tool in achieving our Vision 2025 targets. This view has not changed. At the same time, we remain alert and level-headed so that we strike at an opportunity only when it fully satisfies our criteria and promises to make us stronger for the long term, that is, beyond Vision 2025 as well.

Vaaman will discuss these and other key topics in more detail from p.10 onwards.

**'Sustainability has become so important to us, that we have added it to our vision: To be a globally preferred sustainable solutions provider.'**

### Sustainability

Last year, we published our first sustainability report. Our overall objectives remain the same: to help preserve the planet, ensure well-being and opportunity for all and foster long-term growth in an ethical way. These three areas – Planet, People and Governance – form the foundation of our approach to sustainability and this report discusses our ambitions and progress in each area.

Motherson is proud to be part of the United Nations Global Compact (UNGC), which strengthens our longstanding commitment to environmental, social and economic sustainability built on the bedrock of corporate governance. By integrating the ten principles of the UNGC into our daily business practices, Motherson continues to contribute to building a sustainable and equitable world for all. Based on our efforts, we have been included in the 2021 Dow Jones Sustainability Emerging Markets Index. While we are aware that a lot more work remains to be done, we are grateful that our progress is being recognised.

Sustainability has become so important to us that we have decided to make two important changes. Firstly, we have added the word 'sustainable' to our vision: which is now 'To be a globally preferred sustainable solutions provider.' This is the first time we have updated our vision since we formulated it in 1995. Secondly, instead of publishing a separate sustainability report, from this year onwards, we are sharing our progress on sustainability in our annual report. We will explain how we have updated our materiality framework over the past months.

We invite you to read the Sustainability section on p.28 for more details.

### Closing thoughts

We are bolstered by togetherness and the strength of our relationships with our customers, partners, investors and local communities. We have built a strong foundation upon which we can flourish together in the years to come.

I want to express our gratefulness to our customers. Your faith in us means the world to us. To our investors, we thank you for your guidance and encouragement in implementing our reorganisation. To our collaborators, thank you for bringing us your energy and commitment to providing the best for our customers, no matter what.

To our employees and teams, your energy, talent and positivity ensure that Motherson always 'shines to win'. We would like to thank all local, state and national governments, concerned bodies and the banks and financial institutions in all countries where we operate for their collaboration. On behalf of SAMIL, thank you all.

May God bless us and allow us to prove that the best is yet to come!

Sincerely,

**Vivek Chaand Sehgal**  
Chairman,  
Samvardhana Motherson  
International Limited

# Vision

# 2025

# 25

## The sixth 5-year plan.

**No. 1**

USD 36 billion revenues in 2024-25 with 40% ROCE. (consolidated)

**No. 2**

3CX10 No country, customer or component should contribute more than 10% to our revenues.

**No. 3**

75% of revenue from automotive industry, 25% from new divisions.

**No. 4**

Up to 40% of consolidated profit as dividend.



# Building Motherson for the long term.

In order to better understand SAMIL and Motherson 2.0, we had a conversation with Laksh Vaaman Sehgal, Director, SAMIL to get his views on the present and future of Motherson and the industry.

## Q1

### How will Motherson 2.0 strengthen the company and help it grow?

We were very happy with the overwhelming support of our shareholders in their vote on the reorganisation. We believe our structure is now simpler, more cohesive and more unified. This allows for more internal synergies to be unlocked and provides new opportunities for expansion and value creation. Motherson 2.0 creates a strong platform for growth with the further diversification of our revenue mix in-line with 3CX10. Our global presence and partnership-based approach for collaboration with existing and new partners will enable us to bring world-class technologies and offerings to both the automotive and non-automotive industries. Last but not least, as a unified group, the cross-pollination and dissemination of best practices will happen more seamlessly, facilitated by common infrastructure and shared support functions. Moreover, shareholders now benefit from the full unity of the group and have access to all of the revenues and cash flows from SMRP B.V. That is very significant.

## Q2

### Will the Motherson philosophy that has guided you so far remain relevant for Motherson 2.0?

The Motherson philosophy is embedded in the way we think and operate. It has brought us where we

are today and it will continue to be our compass. At the heart of it is the idea of growing through return on trust. It starts with a relentless commitment to bettering ourselves every day on all the main parameters our customers care about, which are: Quality, Cost, Design, Delivery, Management, Safety, Environment and Sustainability (QCDDMSES). Excellent performance in these areas creates trust, which leads our customers to ask us to do more for them. This helps us deliver more content and value per OEM, which is how we grow and move closer to our vision of being a globally preferred sustainable solutions provider. This type of growth provides more stability and more career opportunities for all our people, which is part of why we built Motherson together in the first place. We embrace a number of special principles and mindsets internally to keep this virtuous cycle flowing well. Part of this includes creating training programmes for new employees and teams joining us through acquisitions to acquaint them with these principles and mindsets. The result of these efforts is clear; for example, in our Leadership Programme, in which we train the future generation of Motherson leaders, I am always struck by how strongly our philosophy resonates with our younger team members. They tell us that they are happy and proud to be part of a company that has such a

philosophy of doing business. I believe it is one of the greatest assets my father has built for Motherson. Of course, our philosophy may evolve over time to suit our changing world. My father never intended the philosophy to be cast in stone. But it will always be part of our journey.

## Q3

### What is your view on new energy vehicles (NEVs) and to what extent is the Motherson product portfolio aligned with major automotive trends such as electrification?

We make few powertrain related parts; hence, we are engine agnostic. Over 98% of our product portfolio is aligned with industry trends such as sustainable mobility, electrification and connectivity. I think we are well-positioned: we are developing components for high-voltage power distribution systems, solutions for improved aerodynamics, lightweighting and the immersive interior experience of the future together with components produced from locally sourced, recycled or recyclable materials, among others. So we are ready to support and help define a world in which new energy vehicles (NEVs) eventually become the mainstay, even though we are aware that IC engines will remain relevant for some industry segments for many more years to come.

## Q4

### How well is Motherson on track to becoming a more sustainable company in the areas of Planet, People and Governance?

Sustainability is a top priority for us. We have added it to our vision, which is now: To be a globally preferred sustainable solutions provider. It is the first time we have changed our vision since it was first formulated. In the mergers and acquisitions due diligence process, sustainability is one of our evaluation criteria. We are setting the ambitious goal of becoming Carbon Net Zero across our current global operations by 2040, reducing our direct Scope 1 and 2 emissions whilst

An interview with  
Laksh Vaaman  
Sehgal

continuously evaluating Scope 3 emissions, which is a major step forward and in parallel aligning ourselves to our customers' evolving ambitions. It all stems from the fact that sustainability is vital for Motherson. We want to be a company that future generations are also proud to be part of. It is a challenge because it is in part an evolving target: our customers are still clarifying their aims and expectations and regulators do not sit still. In addition, different parts of the world are further ahead in shifting to low-carbon and renewable energy than other parts. This all affects the speed with which we move to Carbon Net Zero. But there is no doubt about the fact that this is where we are heading. Sustainability is here to stay. It is making the world a better place and it will make Motherson a more durable company.

**Q5**  
**Which markets will be the major drivers of growth for Motherson?**

In developed markets, we are seeing a significant trend towards increased sustainability. In addition, there is demand for more customisation, integration of new technologies, more electronic and digital functionalities and more premium features in vehicles. Our product portfolio is in tune with these trends, which bodes well for our future in developed markets. Motherson is also doing well in emerging markets such as India, China, Mexico, Hungary, S. Korea, Poland, Brazil etc., which generates 50% of its revenues. In these markets, we are also seeing growing demand for new technologies, more electronic features and

a stronger focus on sustainability. In addition to our premium products, we have a complete range of solutions for vehicles designed for cost-conscious consumers. This allows us to support the OEMs across all their models, from high-end vehicles to mid-segment and entry models. As these countries tend to have relatively fast GDP growth, we expect the OEMs to do well in developing markets, which in turn is good news for us, of course. So we are well-positioned for both types of markets as well as for the dominant trends shaping them.

**Q6**  
**What is the importance of India as a market for the future of Motherson?**  
Naturally, we have a deep-rooted connection with India because of our heritage. We started in India and have grown from there. India remains a vital market for Motherson

2.0 as well. Around 20% of our revenues by production and more than 40% of our profits come from India. In addition, India is often seen as a test market for new technologies, which allows us to develop new solutions. Our customers also see India as a strategically important automotive market because of its size and growth. We have over 130 facilities across the country and have long-standing relationships with our customers and suppliers there. In other words, India is a big part of our past, present and future.

**Q7**  
**The world is very volatile at the moment; how are the geopolitical uncertainties and continued supply challenges affecting Motherson?**

Yes indeed. Not only geopolitical uncertainties but also the aftermath of COVID-19. This decade has started with an enormous level of human suffering. We feel the impact mostly in the mindset of our people. Not everyone has been hit personally, but in one way or another, we all empathise with the pain and tragedy this has caused for so many people. This phase has several implications for Motherson as a whole. We have used the COVID-19 period to introspect and improve our cost structures and operational efficiencies. In addition, uncertainty provides opportunities for acquisitions, so we



**'Our mergers and acquisitions teams are burning the midnight oil to evaluate the opportunities and identify the most promising ones.'**

are very much focussed on those. The current volatility strengthens our belief in our 3CX10 strategy, in which no country, customer, or component contributes more than 10% of our revenues. The geographical spread of our operations that results from this softens the blows: when one region is down, another is up. And as the world economy continues to grow overall, the gradual trend over the long term for Motherson is up. This is amplified by our focus on increasing content per OEM, which has allowed us to grow faster than the market in the past.

**Q8**  
**What does the current situation mean for your ability to do acquisitions?**

Turbulence brings opportunities. The COVID-19 pandemic, the global supply chain problems and the chip shortages are creating headwinds in the industry. As a result, customers are looking at Motherson as a partner with a track record of successful acquisitions and turnarounds. So our mergers and acquisitions teams are burning the midnight oil to evaluate the opportunities and identify the most promising ones. The reservoir of potential takeover candidates is large enough for us to achieve our target of USD 36 billion topline by 2025. However, we only pursue opportunities that meet both our revenue and ROCE thresholds. The reasoning behind this is that we are building Motherson for the long term, not just to hit our 2025 revenue targets.

**Q9**  
**To achieve the Vision 2025 targets, you will need significant funds to acquire companies. How will you manage that?**

We are confident that we will be able to manage the funds required for achieving our Vision 2025 targets. Our business teams are working diligently on building

operational efficiencies that add more financial reserves from internal accruals. This enables us to go after multifold opportunities.

We have solid fundamentals, excellent ratings with the rating agencies and the possibility of raising money globally. So we will of course take advantage of these avenues for acquiring funds. However, we do focus on maintaining a net-debt-to-EBITDA ratio of less than 2.5 and we continue to be guided by this metric. This means that we look at the most optimal capital structure. For any acquisition we evaluate keeping in mind the criteria that we have set for ourselves.

Finally, with Motherson 2.0 the whole group is under a single platform, which enables each of the divisions to tap into relevant opportunities and charter their own growth journey.

**Q10**  
**You have changed the divisional structure for financial reporting; what is the thought behind this?**

With Motherson 2.0, the focus is now on tracking and reporting performance on the business division level instead of individual entities. Going forward, this would be a 3+1 structure wherein the three major divisions – Wiring Harness, Vision Systems and Modules & Polymer Products – will be reported separately and smaller and upcoming divisions will be reported together. This structure is just a way of removing complexity and aligning our communication with investors and shareholders.

The three major divisions named

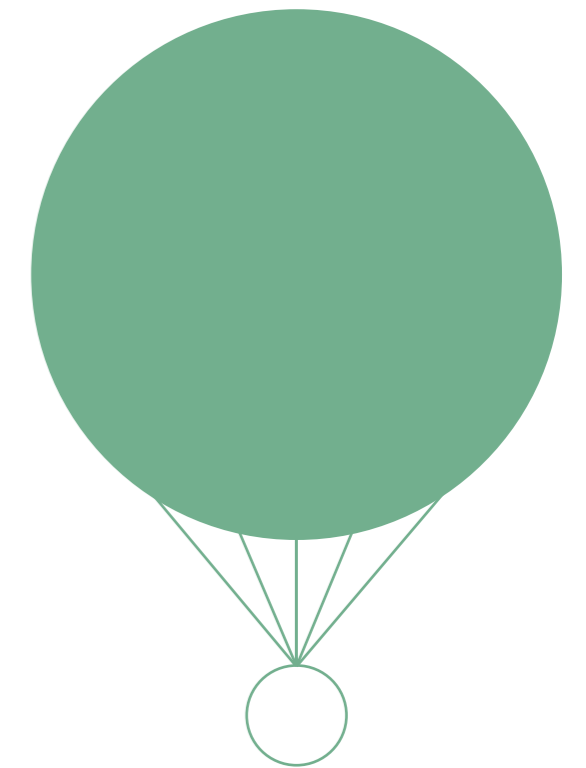
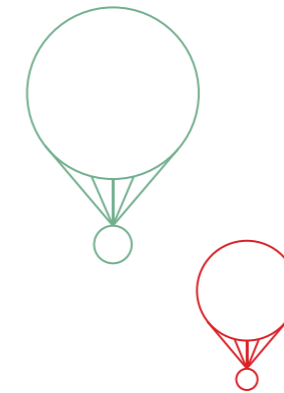
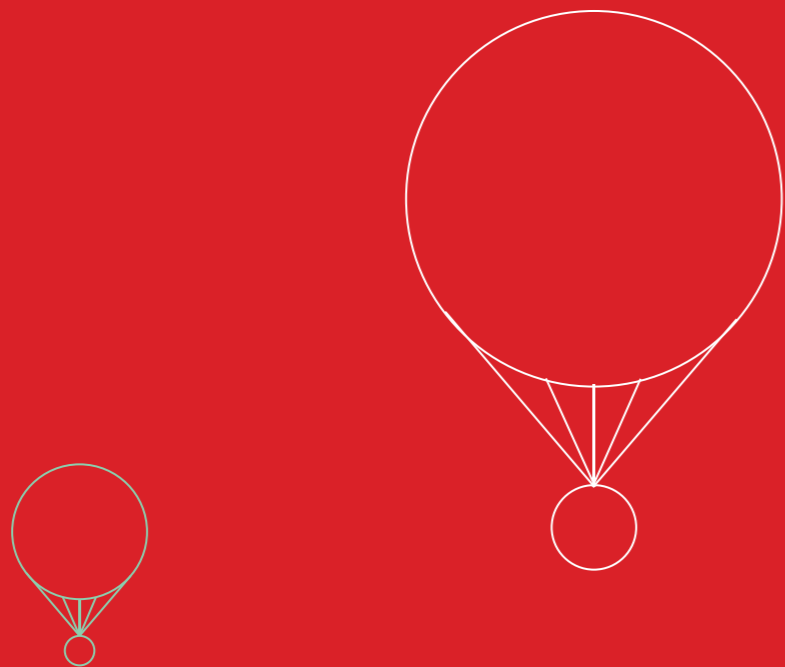
above contribute around 95% of our revenues. These are mature, global divisions that have established customer relationships, extensive solution portfolios and their own COOs and the management structures. Most investors are primarily focused on these divisions. The other divisions, which need more support and attention because they are younger, are grouped together under 'Others'. Of course, we are planning to grow them and turn them into large divisions in their own right.

**Q11**  
**When do you expect to see significant traction in the non-automotive divisions?**

The teams are working very hard and we have had small successes that are encouraging. The curve will remain relatively flat for some time, but then at some point, there will be a breakthrough. It is always difficult to predict when that will happen. It is mostly a matter of diligently focusing on our strategy of creating value for our customers and getting better and better at it. In addition, we are looking for acquisitions for our new divisions as well. When that happens, you will see a quick jump in traction and growth. I cannot tell you exactly when it will happen, but it will happen. The Aerospace division has made inroads with the acquisition of CIM Tools which was completed in April 2022. This brings strong manufacturing capabilities and deeply entrenched relationships with Tier 1 and OEM customers, which will help us grow this division further.



# The best is yet to come.



The theme we have chosen for this year's annual report is, 'The best is yet to come.'

In 2022, we are bringing all of Motherson together to create more simplicity, synergy and unity. This will help us grow further and create even more value for all our stakeholders.

We are becoming more sustainable to help preserve the planet, ensure well-being and opportunity for all and foster long-term growth in an ethical way.

We are aligned with new vehicle technologies and are supporting customers in new industries. We are ready to face an unpredictable world.

Whether we will realise all our dreams is up to the universe. But we believe that each next step will be the best step of our lives. So we give everything we have. Striving together is a beautiful thing.

Join us on a new stage of our journey.



## **Samvardhana Motherson International Limited.**

Samvardhana Motherson International Ltd. (SAMIL) is a diversified global manufacturing specialist and one of the world's leading suppliers to automotive OEMs as well as to customers in a range of other industries. SAMIL has over 300 facilities\* across 41 countries and five continents. This global footprint allows the company to support the evolving needs of its customers across the world. As the main hub of our operations and the central listed entity, SAMIL serves as the catalyst for growth and value creation for our customers, investors, employees and the communities in which we work.

\*Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.



**Motherson 2.0**

In 1975, Motherson was a small company in India with big ambitions. Today, we are a diversified global manufacturing specialist, inspired by one vision: To be a globally preferred sustainable solutions provider. The current structure of SAMIL as the central holding company of Motherson is the result of our recent reorganisation. All group companies were brought into this one listed entity. We are now one company with one logo and one name: Motherson. We believe this reorganisation will create a powerful new growth platform for the future and hence we have dubbed it 'Motherson 2.0'.

**Reorganising to create more stakeholder value**

Initiated by requests from our principle partner Sumitomo as well as long-term investors, our reorganisation has simplified our organisation and will create new synergies within the group. SAMIL now holds 100% of SMRP B.V. (Samvardhana Motherson Automotive Systems Group B.V.) as well as a 33.4% stake in Motherson Sumi Wiring India Limited (MSWIL) and stakes in other businesses and joint ventures. In this new arrangement, we will be able to pursue focused, strategic priorities for all our companies, which will continue to benefit from the parentage of the group. The reorganisation also offers greater operational and financial flexibility, which will support both organic and inorganic growth.

**Divisions**

While we are a manufacturing specialist and predominantly an OEM supplier, we have never limited ourselves to focussing on our so called 'core competences'. We have always

expanded and stretched our capabilities, based on the demands of our customers. As a result of this, Motherson has a broad product portfolio that allows us to be a full-system solutions provider for our customers in different industries. Our divisions include Wiring Harness, Vision Systems, Modules & Polymer Products, Elastomers, Precision Metals & Modules, Technology & Industrial Solutions, Logistics Solutions, Lighting & Electronics, Aerospace, Health & Medical and Services.

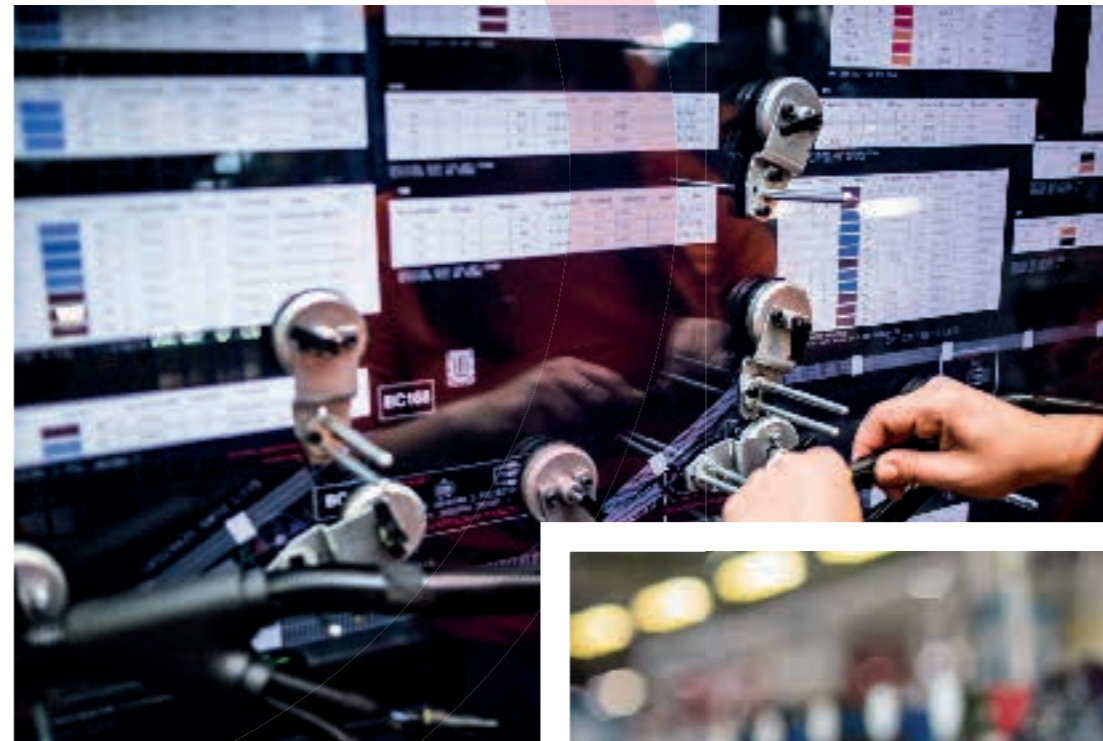
While most of these divisions are dedicated to supplying components and services to the automotive industry, our entry into the Aerospace, Health & Medical, Technology & Industrial Solutions and Logistics segments represent an important diversification of our portfolio. Our 3CX10 strategy – a key component of Vision 2025 – is that no one company, component, or customer comprises more than 10% of our revenues, ensuring a strong and diversified foundation for our operations. More important, however, is the difference we can make in these sectors. The expertise and manufacturing capabilities we have built over decades in our automotive businesses can be applied in other areas as well.

**Acquisitions**

Despite the challenging circumstances in the global economy, Motherson has made 4 acquisitions in FY 2021-22.

**Sustainability at Motherson**

Since we published our first Sustainability Report last year, we have updated our materiality framework and further strengthened our



approach across our three focus areas: Planet, People and Governance. In the first area Planet, the focus is on helping to preserve the planet. This includes reducing our consumption of energy and water as well as switching to renewable forms of energy, among others. When it comes to People obviously, our overarching aim is to ensure well-being and opportunity for all at Motherson. This includes a focus on diversity and education. In Governance, the goal is to foster long-term growth in an ethical way at Motherson.

**'We believe the reorganisation will create a powerful new growth platform for the future and hence we have dubbed it 'Motherson 2.0'**



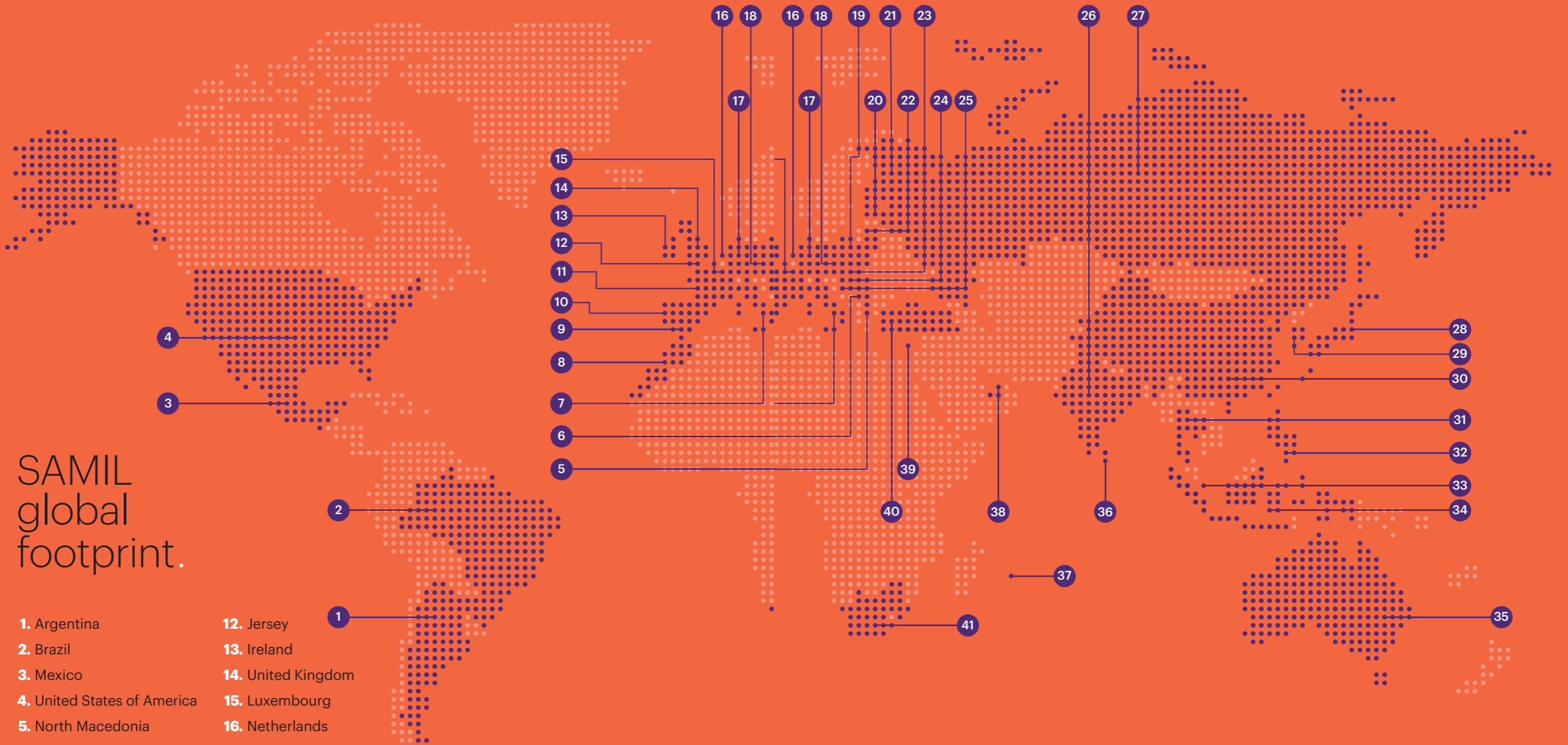
In the Sustainability section of this Annual Report (p. 28), you can find out more about our ambitions and progress in each area.

**Motherson 2.0 and the road to Vision 2025**

Our reorganisation will help us realise the ambitious goals we have set forth for Vision 2025. We are aiming for revenues of USD 36 billion with 40% ROCE with 75%

of revenue coming from the automotive industry and 25% from our new divisions. With the Motherson family united under SAMIL, we are confident that together we can achieve our Vision 2025 goals. We will continue to delight our customers, create more opportunities for our people to grow, create more value for our shareholders and continue to improve the livelihood of communities.

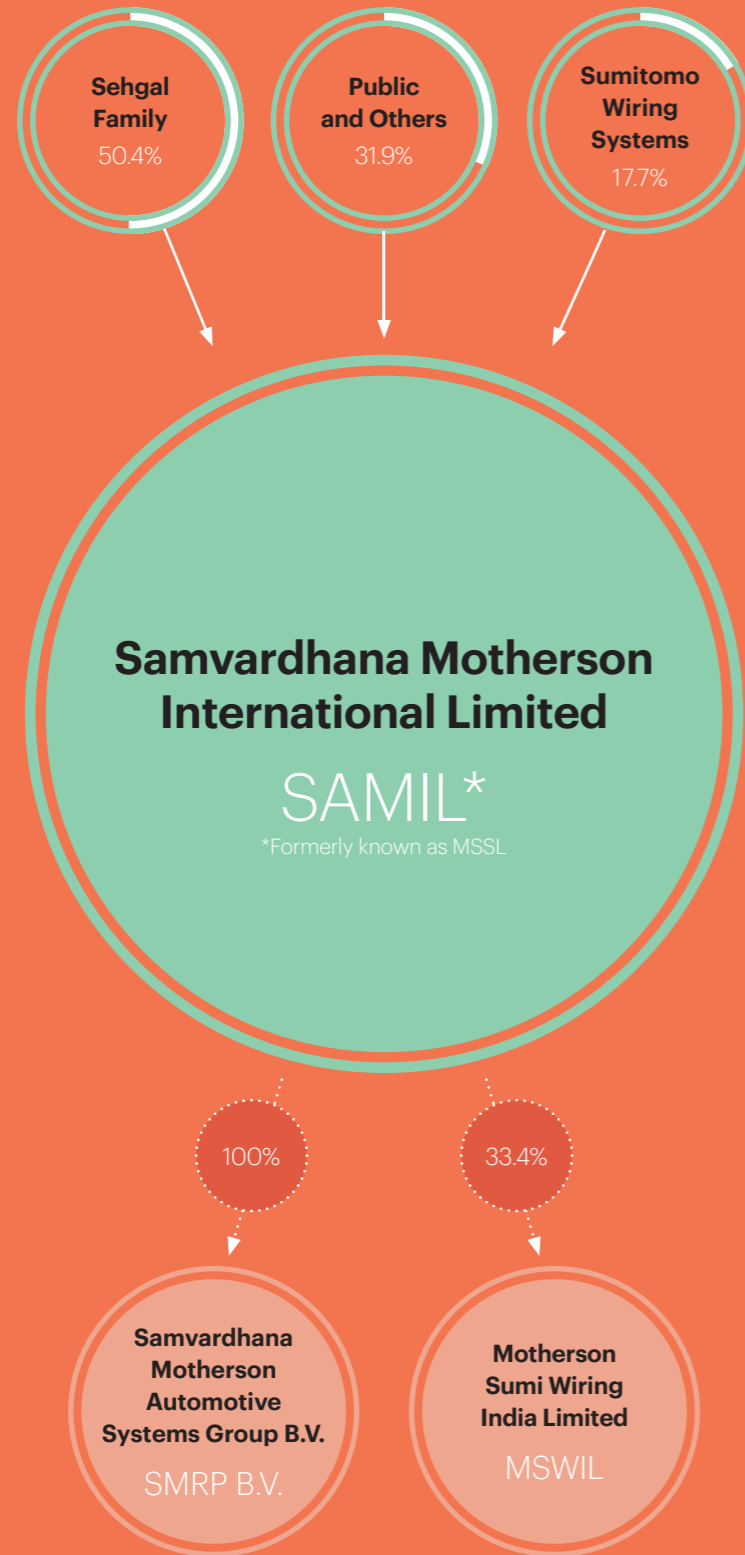




# SAMIL global footprint.

- 1. Argentina
- 2. Brazil
- 3. Mexico
- 4. United States of America
- 5. North Macedonia
- 6. Serbia
- 7. Italy
- 8. Morocco
- 9. Spain
- 10. Portugal
- 11. France
- 12. Jersey
- 13. Ireland
- 14. United Kingdom
- 15. Luxembourg
- 16. Netherlands
- 17. Germany
- 18. Czech Republic
- 19. Poland
- 20. Estonia
- 21. Finland
- 22. Lithuania

- 23. Slovakia
- 24. Hungary
- 25. Croatia
- 26. India
- 27. Russia
- 28. Japan
- 29. South Korea
- 30. China
- 31. Thailand
- 32. Philippines
- 33. Singapore
- 34. Indonesia
- 35. Australia
- 36. Sri Lanka
- 37. Mauritius
- 38. United Arab Emirates
- 39. Cyprus
- 40. Turkey
- 41. South Africa



## Vision, Mission and Values.

# Vision: To be a globally preferred sustainable solutions provider.

### Mission:

- Ensure customer delight
- Involve employees as 'partners' in progress
- Enhance long-term shareholder value
- Set new standards in good corporate citizenship
- Preserve the planet and seek to improve the environmental impact in all that we do

### Values:

- Be a lean, responsive and learning organisation
- Continuously improve to achieve world-class standards and total customer satisfaction
- Proactively manage and adapt to change
- Maintain high standards of business ethics, integrity and safety
- Ensure a common culture, behaviour and nurture pride throughout our organisation
- Recognise individuals' contributions and benefit from our diversity
- Ensure well-being, equality and opportunity for all
- Develop stronger leadership skills and greater global teamwork
- Constantly upgrade competency levels across our organisation through collaboration and knowledge sharing programmes

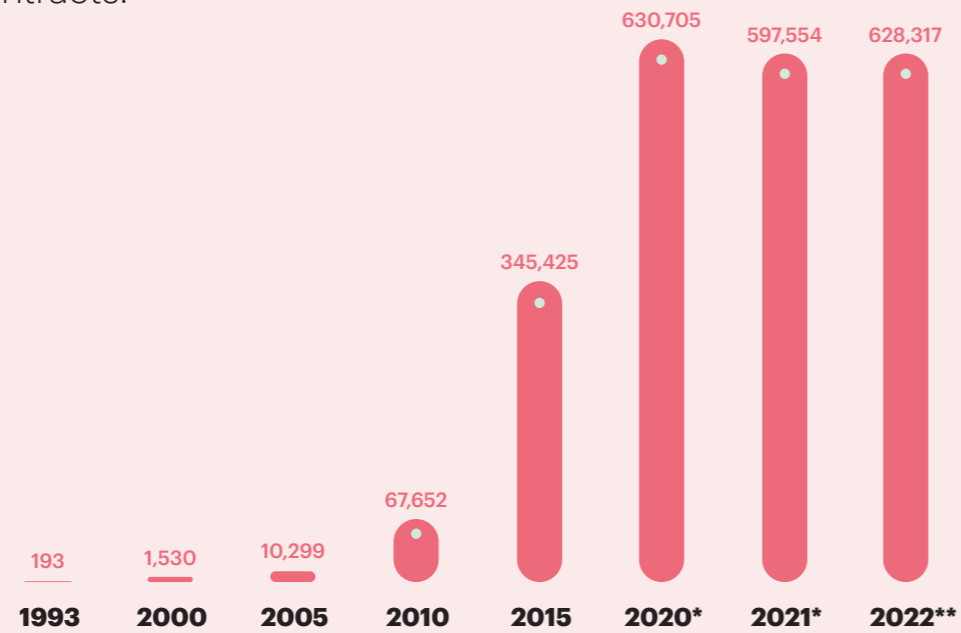


# SAMIL (formerly MSSL) numbers.

## 01 Consolidated revenue from customer contracts.

(In million INR)

Total

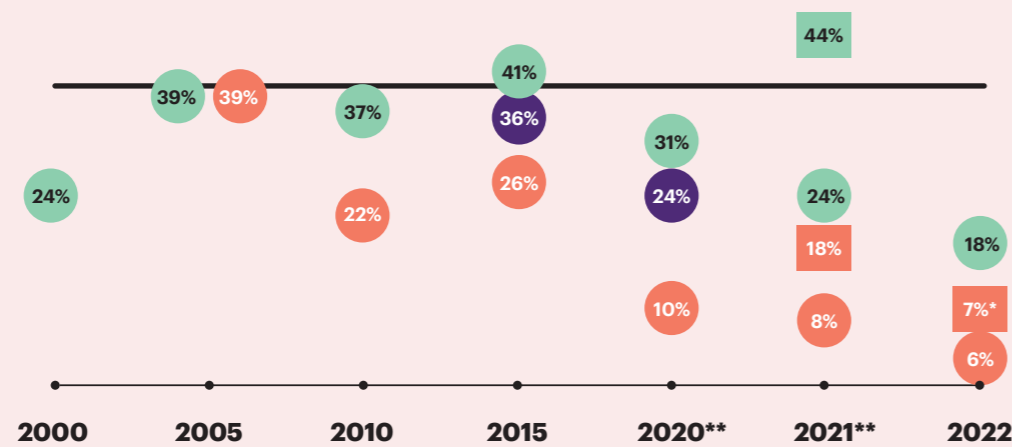


\*Start of COVID-19 in China in the Q4 of FY20 which spread globally with periodic lockdowns in many countries, severely impacting performance of Q1 and Q2 in FY21.

\*\*Revenue of domestic wiring harness business reported as discontinued operations in financial report is excluded.

## 02 Return on Average Capital Employed (ROACE).

Targeted (Black circle), Consolidated (Red circle), Standalone (Green circle), Consolidated (excluding new sites & acquisitions) (Purple circle)



\*\*Start of COVID-19 in China in the Q4 of FY20 which spread globally with periodic lockdowns in many countries, severely impacting performance of Q1 and Q2 of FY21. ROACE of H2 FY21 has been annualised and is presented in boxes.

\*Excluding the impact of fair valuation of assets (Pursuant to the Composite Scheme of Amalgamation and Arrangement) from capital employed. Also depreciation & amortisation impact of fair valuation from EBIT is excluded. Refer MD&A section for a detailed definition.

## 03 Net Debt, Lease Liability and Net Debt (including lease liability) to EBITDA.

(In million INR)

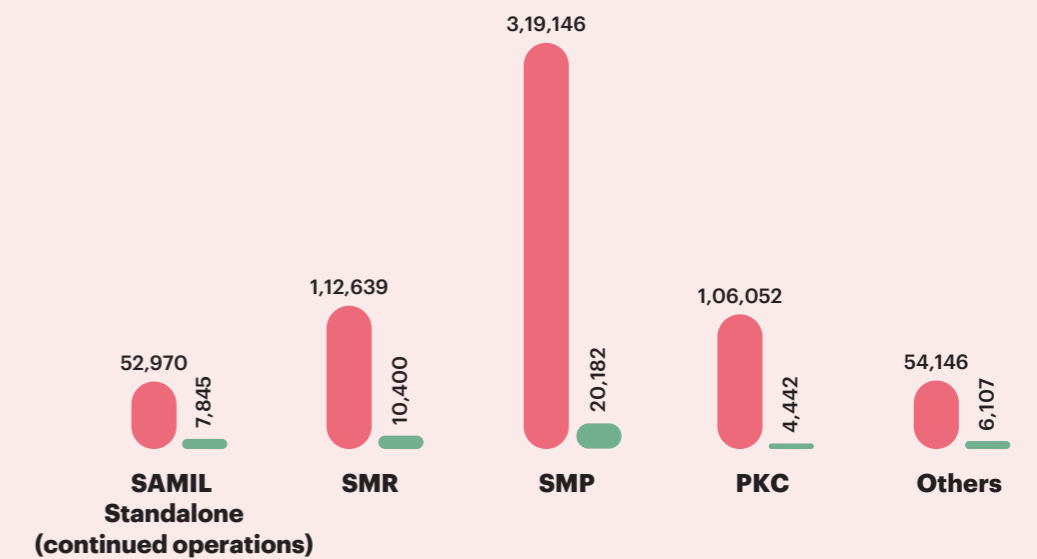
Net Debt (including lease liability) to EBITDA (Green circle), Net Debt (Red circle), Lease Liability (Purple circle)



## 04 Revenue, EBITDA Margin in FY 2021-22.

(In million INR)

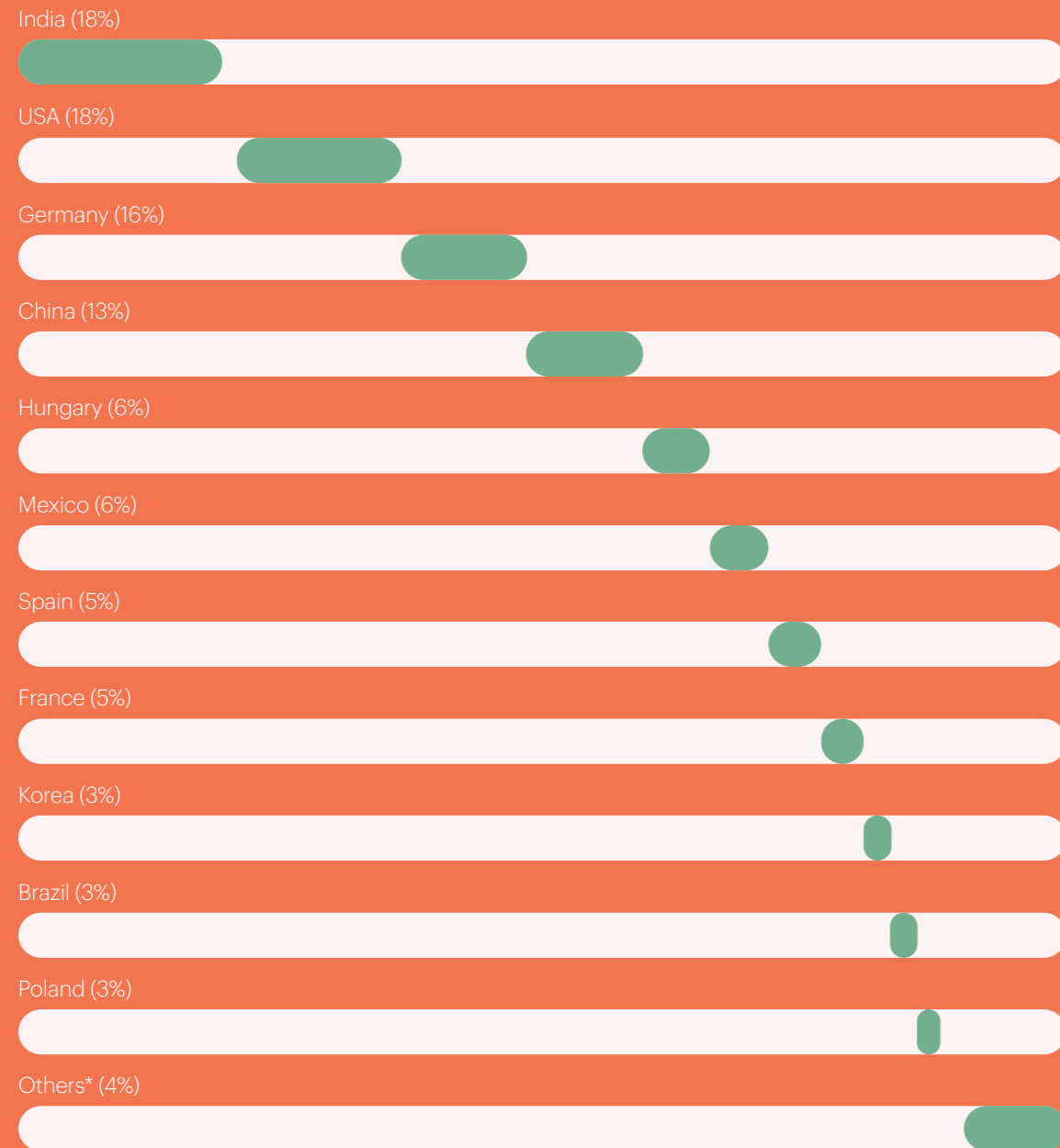
Revenue (Red circle), EBITDA (Green circle)



# 3CX10.

## 01 3CX10 country-wise break-up\*\*

2021-22

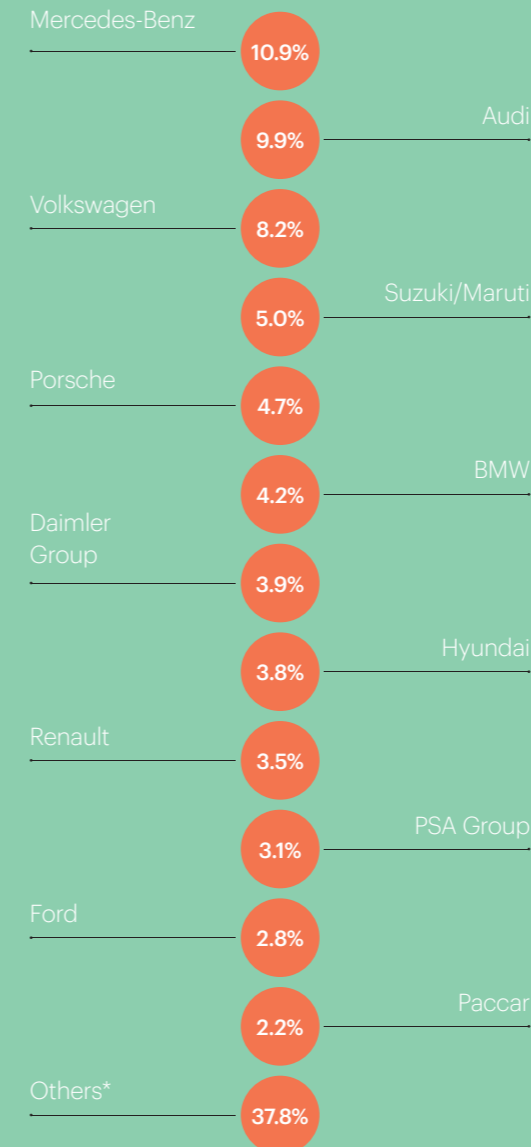


\*No country is > 2%

\*\* % to total revenue from continuing and discontinued operations including 100% amount of joint venture and associate companies. Revenue by country is based on manufacturing locations.

## 02 3CX10 customer-wise break-up\*\*

2021-22

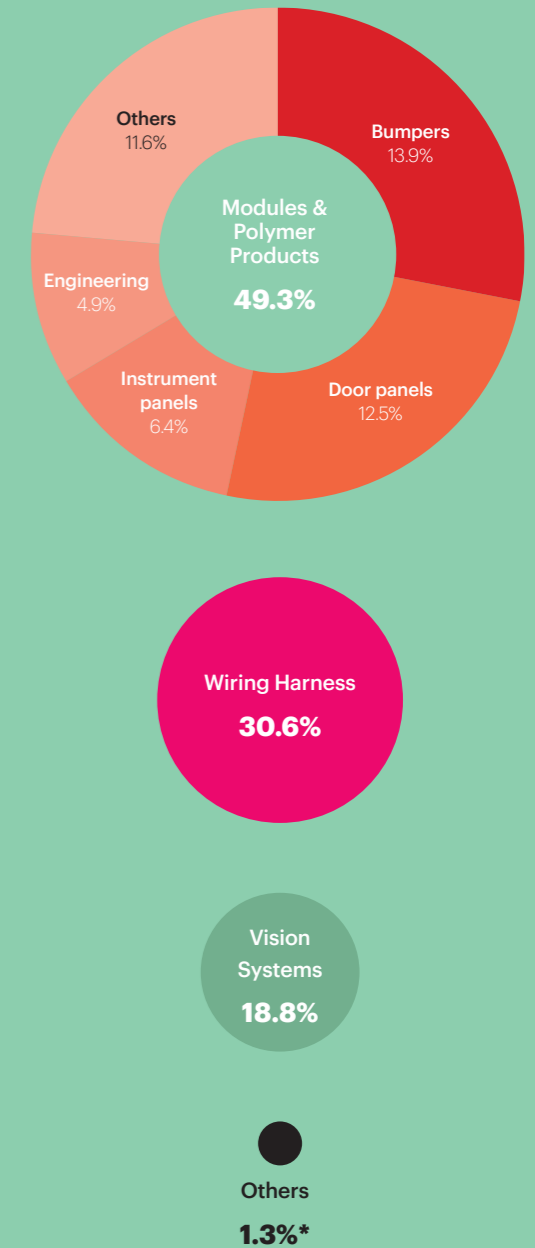


\* No customer >2%

\*\* % to total revenue from continuing and discontinued operations including 100% amount of joint venture and associate companies.

## 03 3CX10 component-wise break-up\*\*

2021-22



\* Net of inter segment elimination

\*\*% to total revenue from continuing and discontinued operations including 100% amount of joint venture and associate companies.





# Sustainability at Motherson.

Sustainability is a strategic priority for Motherson. Our efforts are focused on three areas – Planet, People and Governance – that form the foundation of our approach to sustainability. In this section, we discuss our ambitions and progress in each area in more detail.

In the past several years, the world has experienced great change and turbulence. Recent events have shown that the need for sustainability is more relevant and urgent than ever. So, what progress has Motherson made in becoming more sustainable and what ambitions are being set for the future? Based on extensive work done in the past months, we have updated our materiality assessment framework. This framework reconfirms our evolved priorities in three focus areas: Planet, People and Governance (aligned with Environment, Social and Governance [ESG]).

- Planet:** Preserving the planet, protecting our environment and using resources responsibly.
- People:** Ensuring well-being and opportunity for all.
- Governance:** Fostering long-term growth in an ethical manner.



**In 2021, Motherson introduced a sustainability icon (p. 32) that reflects the spirit of our initiatives and ambitions.**

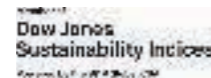
Planet, People and Governance form the foundation of our approach to sustainability and our actions in these three areas are focused on one goal, the Vision of the group: 'To be a globally preferred sustainable solutions provider' to all Motherson stakeholders. Focusing on sustainability needs to be a way of life, it means changing and evolving the way we think, the way we behave, the way we operate across the entire business enterprise. This is so important that we have decided to update our 'Vision' which has remained unchanged since 1995 'To be a globally preferred sustainable solutions provider.' We will continue to focus on being aligned with our customer's needs, by striving to make our solutions more and more sustainable and by becoming more and more sustainable as a company. It means, managing Motherson in a way that can continue forever: in harmony with the environment, with society and the changing world around us. This will take time and energy over many years ahead and is the responsibility of us all, but this way we can truly say that we are 'Proud to be part of planet earth.'

**Strengthening the approach**

The United Nations Sustainable Development Goals (SDGs) and United Nations Global Compact (UNGC) serve as the framework for Motherson's sustainability policies and initiatives. Since 2020, Motherson has aligned its ambitions, plans and actions to the SDGs and

committed to the UN Global Compact corporate responsibility initiative and its principles in human rights, labour, the environment and anti-corruption. We have placed the relevant SDGs that our efforts under Planet, People and Governance are focused on at the opening of each section.

Our progress thus far has already been recognised: in 2021, Motherson qualified for the Dow Jones Sustainability Index in the Emerging Markets category, the only Indian automotive-component company to attain this accreditation so far. While we are honoured by this achievement, our focus remains firmly on our future ambitions and continuing to do more.



'We are setting the ambitious goal of becoming **Carbon Net Zero** across our current global operations by 2040.'

**Laksh Vaaman Sehgal**  
Director, Samvardhana Motherson International Limited

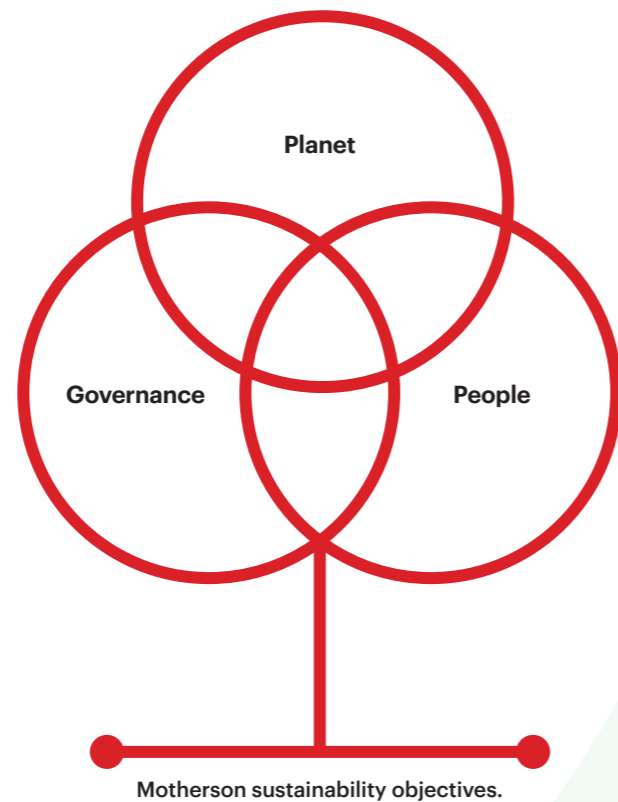
# Materiality Framework

Sustainability touches everything we do, including our relationship with the environment, our responsibilities to our stakeholders and our internal governance practices.

Crafting an effective sustainability strategy begins with distilling this broad-based view into a materiality matrix that reflects both internal and external priorities. To develop this matrix, we canvassed key stakeholders across all Motherson divisions with risk assessment analysis data to collate the foreseen importance of these topics and issues to our business.

These results were complemented by dialogue with our customers, shareholders and regulators about what they consider to be the most critical topics. Based on these interactions, we have identified the materiality priorities in our three sustainability dimensions of Planet, People and Governance. This materiality matrix will serve as the foundation for our strategy and will help us accomplish our sustainability objectives.

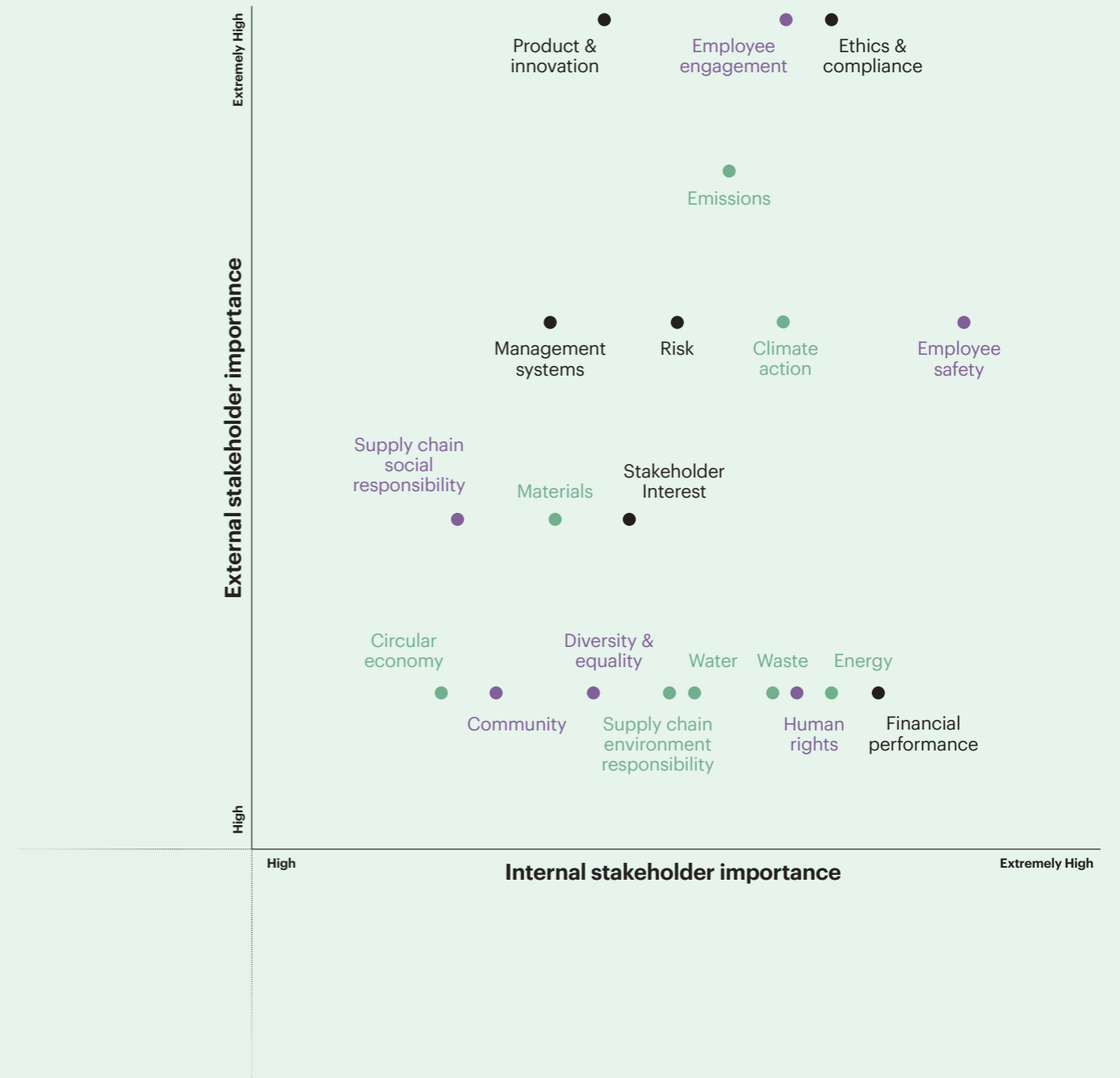
The three interlocking rings of our sustainability icon clearly illustrate how our efforts in one area are inextricably linked to the others. The icon also embodies our holistic approach: by giving our all in the areas of Planet, People and Governance, we will become a globally preferred sustainable solutions provider delivering value and making a difference for years to come.



- |  |  |   |
|--|--|---|
| <p><b>Planet</b><br/><b>Preserving the planet.</b></p> <ul style="list-style-type: none"> <li>• Environmental impact and climate change</li> <li>• Product, materials and technology</li> <li>• Responsible value chain</li> </ul> | <p><b>People</b><br/><b>Ensuring well-being and opportunities for all.</b></p> <ul style="list-style-type: none"> <li>• Human Rights</li> <li>• Diversity &amp; Equality</li> <li>• Employee Safety</li> <li>• Employee Engagement</li> <li>• Community</li> </ul> | <p><b>Governance</b><br/><b>Fostering long-term growth in an ethical way.</b></p> <ul style="list-style-type: none"> <li>• Ethics &amp; Compliance</li> <li>• Financial Performance</li> <li>• Risk &amp; Management systems</li> </ul> |
|--|--|---|

## Materiality Matrix

- Planet
- People
- Governance





# Preserving the planet



At Motherson, our core mission is not only continuing to build a reputable company but a sustainable one that future generations are proud to be part of. Thus, we measure our contribution not just in terms of profit or market share – we want to improve the lives of all our employees, everyone with whom we collaborate and the communities in which we operate. Central to this aim is protecting planet Earth.

### Environmental impact and climate change

The impacts of climate change are already well-documented and pollution continues to be a major global issue, whether this is emissions from combustion and incineration or waste sent to landfills or otherwise discarded into the environment.

At Motherson, we acknowledge that we have a responsibility to protect and preserve our planet. Thus, in accordance with the Green House Gas Protocol, we are focusing on

### Scope 1, 2 & 3 Emissions Explained

Scope 1 Emissions: **direct emissions from company-owned and -controlled resources.**

Scope 2 Emissions: **indirect emissions from generation of purchased electricity, steam, heat, or cooling.**

Scope 3 Emissions: **all other indirect emissions in a company's value chain.**

reducing our direct Scope 1 & 2 emissions whilst continuously evaluating Scope 3 emissions, in order to meet our ambitious target of achieving Carbon Net Zero across our current global operations by 2040.

This is a considerable challenge as circumstances may vary significantly due to unpredictable change. However, by having a clear focus and drawing upon our 'Never give up' attitude, Motherson is confident this ambition will be achieved.

The first step towards achieving this ambitious goal is examining the current environmental impact of our operations. Key data inputs on Scope 1 & 2 emissions covering electricity, gas and other fuel usage; direct material consumption, waste generation and water usage are collected from all operating units and consolidated centrally.

The group is aware that collecting all the Scope 3 emissions data is significantly more challenging but nonetheless, we are actively engaged with our supplier base to understand the carbon impact throughout the value chain. Within our direct control, a sizeable proportion of the carbon footprint comes from energy consumed in the operating facilities, the largest portion of which is the use of electricity.

Every operating unit is developing decarbonisation strategies for its own emissions and together with suppliers and partners, roadmaps are being developed to ensure that the sustainability expectations of Motherson and its stakeholders extend throughout the value chain.

'Whilst a large proportion of our future renewable energy is to be sourced via the Green Grid, Motherson also aims to be self-sustaining where feasible.'

### Use of renewables at Motherson

Motherson understands the importance of efficient and sustainable energy use. With facilities in 41 countries around the world, we are also keenly aware that the possibilities for energy efficiency and controlling emissions vary greatly between countries.

Whilst a large proportion of our future renewable energy is to be sourced via the Green Grid, Motherson also aims to be self-sustaining where feasible. We have therefore adopted a policy of sourcing renewable energy and implementing electricity-generation solutions wherever possible. Presently, at many of our global locations, Motherson is investing in on-site, renewable green-energy technology solutions such as solar electricity panels, also known as photovoltaics (PV). Furthermore, Motherson is investigating offsite Power Purchase Agreements (PPA) with verified renewable-energy certificates for facilities that cannot accommodate on-site electricity-generation technology.

Not only will this reduce our overall reliance on renewable energy obtained from external sources but will also give the group a level of protection against volatility in energy pricing.



### Water use

The UN Global Compact estimates that billions of people worldwide do not have sufficient access to clean water and sanitation services and climate change is exacerbating this issue. Since Motherson operates in many parts of the world that suffer from water shortages, we fully understand the necessity of conserving this precious resource.

Although our processes are not water-intensive, we are still measuring our water usage and have set a clear ambition to reduce our consumption. For example, water-harvesting is now standard at many of our facilities in India and has also been implemented at some of our newer sites outside of India, with the collected water being used for irrigation and cleaning.

Waste-water discharge is also an important consideration. Any Motherson site not connected to the local utility provider's treatment network has its own on-site water-treatment facility.

### Circular economy

Reducing consumption of materials and limiting waste through recycling helps mitigate environmental impact and automotive manufacturers are realising this approach to sustainability by increasing recycled content in their vehicles.

### ISO codes explained

**International Organisation for Standardisation (ISO) codes**

ISO 50001: **Energy-management systems (requirements for establishing, implementing, maintaining and improving energy-management systems).**

ISO 14040 & ISO 14044:

**Life Cycle Assessment (LCA) calculation methodology.**

ISO 14067: **Measurement of the carbon footprint of products (principles, requirements and guidelines for quantifying the carbon footprint of products).**

Motherson is working closely with our customers and our value chain to design and develop products containing recycled material that can be partially or fully recycled at end-of-life.

Such circular-economy principles extend beyond manufacturing as well. With respect to packaging for our products, Motherson is implementing strategies to significantly reduce the amount of packaging we use and opting for environmentally friendly packaging materials.

### Processes, materials, technology and products

Motherson primarily calculates its emissions based on Scope 1 & 2 data. However, we are acutely aware that the Scope 3 emissions generated in our value chain must also be reduced as part of our journey to Net Zero. Continuously monitoring our carbon output is critical to achieving our Net Zero ambitions; thus, Motherson is implementing a range of tools and International Organisation for Standardisation (ISO) standards to ensure that all our sites are ISO-accredited by 2030 at the latest.

Our first sites have already achieved ISO 50001 accreditation and we are confident we will reach our target. By measuring energy consumption at every step of every process, Motherson is identifying opportunities to increase efficiency through process adjustments and/or introducing next-generation, energy-efficient production machinery.

Alongside our process improvements, we are actively working with our customers to incorporate more sustainable and



environmentally friendly materials into our products, including recycled polymer, bio-based plastics and renewable materials such as natural fibres (flax, hemp and recycled cotton) and even discarded oyster shells. Our product designers and engineers are collaborating to ensure that these products both have a significantly reduced carbon footprint and maintain our high quality and technical standards.

### Responsible value chain

As with all Tier 1 suppliers, our finished-product carbon footprint is highly influenced by the legacy carbon footprint of bought-in components and sub-assemblies. Motherson is engaging with our suppliers using our proprietary, in-house performance-assessment tool – the Supplier Performance Evaluation System (SPES) – which has been significantly enhanced to incorporate key aspects of sustainability throughout the value chain.

We will be working with our supplier base to obtain life cycle assessments (LCA) for the items we purchase, which will allow us to make changes in our supply chain where necessary to achieve our Net Zero ambitions.





'At Motherson, we acknowledge that we have a responsibility to protect and preserve our planet. Thus, in accordance with the Green House Gas Protocol, we are focusing on reducing our direct Scope 1 & 2 emissions whilst continuously evaluating Scope 3 emissions, in order to meet our ambitious goal of becoming Carbon Net Zero across our current global operations by 2040.'

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# People



Since Motherson was founded in 1975, being a responsible, conscientious corporate citizen has been central to our mission. This includes, taking care of people, from our employees and their families to our customers and the communities in which we operate. We want to make a difference for generations to come, which means implementing plans and policies that support our people both now and in the future. People are at the heart of Motherson; we are one family and our goal is to create a supportive environment in which all employees can thrive and grow. It is a symbiotic relationship: only when our people grow, can Motherson grow and vice versa.

We are committed to upholding human rights, embracing diversity, creating a culture of inclusivity and supporting equal opportunity, professional development and career growth. We proactively seek to increase employee engagement as well as ensure the health and safety of all our people and the communities in which we operate.

## Protecting human rights

One of the cornerstones of Motherson is the promotion and protection of human rights. As a signee of the United Nations Global Compact (UNGC), we affirm our commitment to uphold human rights and align our practices with internationally established standards in all geographies.

Motherson aims to harmonise our group-wide human rights policies with both international regulations and the principles of the UNGC. To ensure that all employees understand our policies and their implications, we provide training about human rights and clearly explain how to use available channels of communication, including a third party whistle-blower provision, to freely and safely report any suspected issues, fraud or violations. This approach is being extended to our supply chain. Motherson has updated its Supplier Code of Conduct to ensure that the activities across our entire value chain comply with our human rights principles and upcoming regulatory requirements for due diligence. Regular internal audits of our sites will be used to identify and resolve any potential issues.

## Equality and opportunity for all

Motherson strives to cultivate an inclusive environment in which differences are celebrated. We endeavour that our business practices are free of any bias and discrimination so that all our people have equal opportunities to thrive.

The Inclusion and Diversity Policy of Motherson sets a standard of 'Zero Tolerance' for any kind of

'Motherson endeavours that our business practices are free of any bias and discrimination so that all our people have equal opportunities to thrive.'

discrimination at work. Robust global reporting processes provide data transparency and allow effective monitoring in order to ensure that our principles are upheld throughout Motherson.

With our commitment to maintaining an inclusive and diverse workplace open to people from all backgrounds, races and genders, Motherson is proud to be an equal opportunity employer.

We believe in maintaining a culture in which the efforts of all our people are consistently recognised and valued.

Creating a welcoming space for women in our workforce is a special focus area. This reflects our commitment to the principles of the UNGC, which hold that empowering women is a critical component of sustainable social practices. We are already grateful to have a relatively large number of women on our team and will continue to create an environment in which women feel seen, heard and supported in their professional journey. One such example is our continued effort to proactively increase the number of women participating in senior management leadership programmes.



### Developing our family

Supporting diversity and equal opportunity for all includes providing access to possibilities for individual development and advancement within the company. This fosters a diverse talent pool, where all individuals can thrive through training, upskilling and self-improvement. Everyone has the chance – and is encouraged – to flourish and reach their highest potential. A key factor in attracting and maintaining talent is providing our people with the chance to both grow individually and advance within the company. Part of the Motherson philosophy is to instil in all our people the confidence necessary for self-improvement; through seeking access to programmes and training that allow them to expand their skillset.

Helping our people progress in their careers also enriches our collective knowledge and experience. As employees acquire new competencies, they share what they have learned with their colleagues, which in turn increases our capabilities across the group and deepens the quality and consistency of the work we do.

Employees receive performance feedback as well as assistance with career planning, including upward mobility in Motherson. As part of our people development efforts, we are tracking data regarding internal recruiting, promotion and tenure and through this, data is transformed into actionable insights that help us improve our systems, processes and strategies to achieve sustainable success.

We also continually evaluate our employee engagement initiatives to understand the key enablers to ensure a work environment that allows our people to reach their fullest potential.

Most importantly, we encourage all our people to understand our philosophy, DNA and values so that we all embrace the same values and work together toward a common goal. We strive to create a sense of belonging to the Motherson family for everyone. Our people are never alone; as one Motherson, we are all on this journey together.

### Keeping our family safe and healthy

At Motherson, employee safety is sacrosanct; it is embedded in both our DNA and our operating KPIs – QCDDMSES (Quality, Cost, Design, Delivery,

Management, Safety, Environment and Sustainability). This means that we take a rigorous approach to enforcing safety protocols in all our facilities. We relentlessly promote a culture of safety, both locally and globally, to prevent work-related injury and ill-health for all our employees. Motherson prides itself on both cultivating positive health and safety practices in all our facilities and taking care of all external

people who work alongside us.

Dedicated Health and Safety teams are proactively pursuing preventive approaches to assess and identify potential risks via a safety risk management system. Daily reporting, regular audits, surveys, training and awareness activities ensure hazards and risks are identified early on. Safety committees regularly meet to monitor health and safety



identify and mitigate, hazards and risks and improve the levels of occupational health, safety and well-being.

We go a step further by developing initiatives to promote and support healthy lifestyles and well-being among all members of the Motherson family. This includes programmes to spread awareness about preventive healthcare and activities that encourage good habits, such as sessions on maintaining good mental health. We also offer several options that help our people achieve a healthy work-life balance, such as flexible working patterns, parental leave, hybrid working and employee assistance programmes.

### Connecting with our extended family

In support of the communities in which Motherson operates, our strategy promoting global citizenship ensures that engagement and outreach programmes continue to be organised.

As part of our effort to set new standards in good corporate citizenship, we aim to positively engage with the communities in which we operate. For example, we have partnered with local NGOs and organised our own community-development programmes to focus on areas of employment, community development, education, health and the environment.

Success tastes sweetest when it is shared and as we continue to grow and flourish, we want to lift our 'extended family' by giving back to the communities that host our plants and offices. Our ambition to be a responsible, conscientious global corporate citizen and a sustainable company that will last for generations begins with honouring those who make this ambition a reality: our people.

For further details and examples about our various activities, please read our Global Citizenship Report uploaded on [www.motherson.com](http://www.motherson.com).

conditions and to ensure preventative and corrective measures are implemented across Motherson.

Communication is vital and enables all employees to report all incidents and near-misses.

At Motherson we are systematically striving to reduce occupational and health related risks. Our occupational health and safety guidelines serve as overarching regulations for Motherson worldwide; based on international standards and national laws, they emphasise the managers' obligation to act responsibly. Occupational health and safety issues are also discussed regularly in various Motherson committees including employee representatives and management representatives at various levels of the group. These forums foster collaboration between employee representatives and management members to carry out consultation and participation of workers to



'At Motherson, our core mission is not only continuing to build a reputable company but a sustainable one that future generations are proud to be part of. Thus, we measure our contribution not just in terms of profit, we want to improve the lives of all communities in which we operate.'

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Motherson. Policies referenced within the sustainability section of this report are available to view on [www.motherson.com/company/group-policies](http://www.motherson.com/company/group-policies).

To achieve this, Motherson is proactively aligning itself to the rapidly developing, international sustainability reporting standards and is establishing affiliations with key external frameworks and third-party organisations. In addition, expanding internal auditing and own-assurance methodologies will ensure that consistent and well-structured global practices are maintained. Motherson has always worked with ambitious 5-year strategic plans. However, the need for sustainable practices is so pressing that, in order to become part of the solution the world urgently requires, we must adopt a longer-term perspective on sustainability — well beyond the next five years.

'Good governance that supports the realisation of sustainability objectives goes hand in hand with being a responsible corporate citizen.'

This will be no easy task, but coming together as one with all our stakeholders to face challenges head-on is in our DNA; it's part of who we are. Motherson can and will make an important contribution to the worldwide sustainability movement and is proud to be part of planet Earth.

Further details on board governance for sustainability can be found in the 'Report on Corporate Governance' and the 'Business Responsibility and Sustainability Report (BRSR)' section of this Annual Report.

# Governance

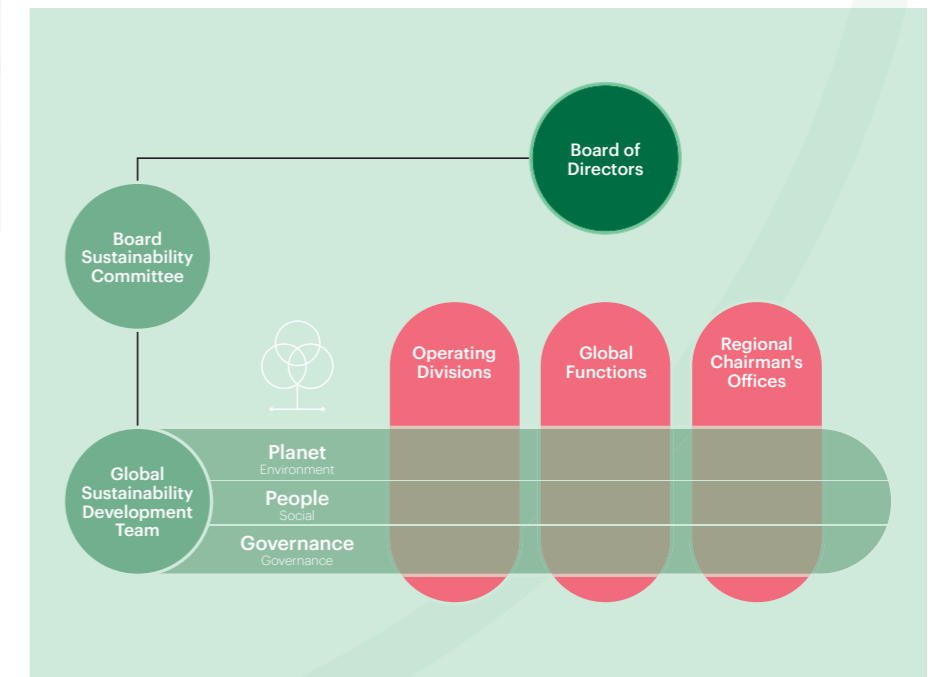


**Fostering long-term growth in an ethical way**  
Realising our ambitions for Planet and People is directly related to Governance, the third pillar of our sustainability strategy. Governance centres around three materiality important issues for the group: ethics and compliance, financial performance, risk and management systems.

Our policies and approaches in these areas provide a framework for achieving our sustainability objectives. Compliance with all applicable laws, regulations and requirements of the societies in

which Motherson operates has always been a priority. However, good governance that supports the realisation of sustainability objectives involves much more; it goes hand in hand with being

a responsible corporate citizen, which in turn requires high ethical standards in business practices. Moreover, this forms the bedrock upon which our sustainability ambitions for Planet and People are built. Having the right policies and procedures in place, applying them consistently and ensuring that there is clear direction, accountability and leadership are all fundamental to the success of





# Electrification.

Driven by regulatory pressures and new user expectations, sustainability, connectivity and diversity have become the most important trends in mobility. This is driving rapid change in the automotive industry, which is strongly transitioning towards new and more sustainable mobility solutions. With extensive experience in design and manufacturing coupled with a passion for innovation, Motherson aims to be a globally preferred sustainable solutions provider for our customers as the automotive industry evolves to meet the challenges of the future.

## Going green

With the effects of climate change becoming ever more apparent, OEMs are striving to introduce sustainable solutions in all aspects of their products and services. OEMs are currently surging ahead with designing and implementing strategies to achieve their sustainability goals, including the electrification of their vehicle fleets and the development of sustainable practices and products.

Based on S&P Global Mobility, the global production share of battery

electric light vehicles increased from 3.7% in 20-21 to more than 7.2% in 21-22. For medium and heavy commercial vehicles, fully electric and hydrogen powertrains are still a niche phenomenon, but an increasing number of electric derivatives are signalling a transition in this segment as well. For example, currently, about 55% of bus production in mainland China is battery electric buses and more than 20% of all globally produced buses are equipped with a fully electric powertrain. In the future, the electrification of buses will progress not only in mainland China but also in other regions.

With the rise of electrified mobility comes a demand for new technologies, such as high-voltage power distribution systems, lightweighting, improved aerodynamics and low-energy thermal surface solutions, among others. Motherson is currently developing products and components to support these emerging requirements. Across the group, our divisions are aligned with the electric vehicle (EV) trend and are creating new solutions to meet our customers' electrification needs.

The demand for EVs is growing, internal combustion engines (ICE) will remain part of the automotive landscape for some time to come. However, as part of the global shift towards improved sustainability, these vehicles must also become more efficient. To that end, we are incorporating lightweighting in our designs, deploying innovative materials that reduce vehicle weight without compromising on performance or safety. Some examples include structural gluing, a lighter high-quality alternative to traditional adhesion methods. We have also developed injection moulding using polypropylene (PP) and carbon fibres to increase stiffness as well as lightweight organosheet PP combined with natural fibres. A lighter vehicle means greater



'A lighter vehicle means greater efficiency, lower fuel and energy consumption and increased battery range for EVs.'

efficiency, lower fuel and energy consumption and increased battery range for EVs.

Sustainability also touches the materials used in both interior and exterior elements; OEMs are increasingly interested in components produced from natural, recycled and recyclable materials and we are striving to meet this demand with our 'second-life' products. Created from natural fillers such as recycled brick or oyster shells mixed with salvaged polymer waste, these structural and cosmetic components are both sustainable and stylish. Moreover, our customers can personalise the appearance of these products, choosing the colour, material and texture that best fits their vision.

## Comfort, style and convenience

One trend that has held steady through the years is customer desire for comfort and style in their vehicles and now there is a high expectation for complete connectivity during the mobility experience. With long travel times, remaining part of many people's lifestyles, feeling at home and connected in their vehicle is a must for both drivers and passengers. With that in mind, we are developing features that contribute to providing an 'immersive interior experience', such as innovative surface finishes incorporating sustainable and natural materials and integrated user interfaces with unique lighting solutions that allow OEMs to create a customised look and feel for their vehicles. With respect to exteriors, EVs are providing the opportunity for our customers to create new front-end designs for their vehicles: with traditional air-

intake grilles no longer functionally necessary on EVs, front bumpers and facias can be re-imagined through the integration of new, innovative lighting and aerodynamic elements.

## New mobility options

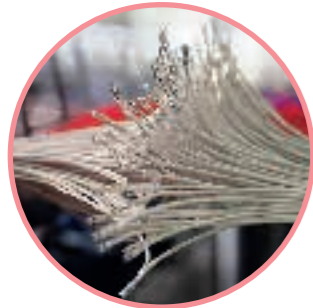
The COVID-19 pandemic had a significant impact on mobility trends; many users turned away from public mass transport and shared mobility for more individual options and the desire for individual transport has remained strong. In addition, with populations becoming increasingly urbanised, there is a growing interest in mobility options that are convenient to use in city centres, such as two-wheelers, which are quickly emerging as an attractive alternative for urban transport. Motherson has identified the electric two-wheeler sector as a segment with high growth potential where we can make an impact by sharing our multifaceted expertise and manufacturing capabilities.

## Ready to face the future

Motherson is a company with entrepreneurialism and a 'can do' attitude in its DNA, – we are driven by the desire to serve our customers with ground-breaking, innovative and sustainable solutions to meet the challenges of the future. Thus, not only are we responding to industry trends, but we aim to help redefine them with our cutting-edge products and services.



# Business divisions built towards growth.



## 01 Wiring Harness

The Wiring Harness division of Motherson is a full-service system supplier with complete in-house design, development and manufacturing capability. It is one of the most vertically integrated business divisions with a product range that promotes technological advancement across both the automotive and non-automotive sectors that it supplies to.



## 02 Vision Systems

Motherson is one of the leading global suppliers of vision systems to the automotive industry and the product range includes interior mirrors, exterior mirrors and camera-based detection which it supplies to almost all major OEMs. Vision Systems is aided by strong vertical integration and provides full-service solutions to its customers.



## 03 Modules & Polymer Product

The division encompasses the largest business line in Motherson. It develops and produces a highly diversified product range from simple plastic parts to highly integrated systems and modules, supplying to OEMs globally. The group also exhibits capabilities in mould design and tooling.



## 04 Others

### Elastomers

The Elastomers division supplies a wide range of elastomer-based solutions and products to a spectrum of industries including automotive, medical, home appliances and general industrial applications. The in-house rubber mixing facilities guarantee extensive technical capabilities in the formulation and development of rubber compounds.



### Lighting & Electronics

The division consists of a spectrum of businesses that focus on OEM supplies and also do business through direct channels. The product portfolio includes exterior lighting and electronics, passenger car HVAC & compressors, body control module, struts, shock absorbers and products for backward integration. The division also engages in the area of direct B2B supply.



### Precision Metals & Modules

The division is a full system solutions provider for any metal processing including integration of higher level assembly. It offers an array of products in precision machining; modules like cabins for off-highway vehicles and HVAC systems; body parts and process equipment to a wide spectrum of industries.



### Technology & Industrial Solutions

The division focuses on technology, engineering and manufacturing solutions. It sustains the digital foundation of the group's global operations. It also caters to external clients from different industries globally. This division has a futuristic approach in understanding industry trends and providing solutions. The division has also forayed in the healthcare IT solutions and telematics.



### Aerospace

The Aerospace division of Motherson brings the current capabilities of the group in areas such as wiring harnesses and plastics — into the aerospace industry by providing integrated solutions. The division is simultaneously engaged in developing new products in order to increase its foothold in this segment.



### Logistics Solutions

The Logistics Solutions division of Motherson aims to bring in efficiency, technology and specialisation in the automotive supply chain. It deals with the logistics of finished vehicles in both the groups' internal supply chain as well as for external customers.



### Health & Medical

The division is driven by its purpose of positively impacting lives globally by helping people become healthy and stay healthy. The division works towards realising this by providing products, solutions and services that help people manage and improve their health and enable people to access affordable care of the highest quality.



### Services

The division consists of several businesses that engage in direct sales and services to end customers and supports their manufacturing operations. The business portfolio includes an industrial park; manufacturing engineering, consultation, project management and turnkey supplies to the automotive industry and trading of machine tools and hydraulic products.



# Wiring Harness.

**The Wiring Harness division of Motherson is one of the world's leading suppliers of wiring harnesses and electrical components. It supports its customers by designing and producing the electronic nerve system of their vehicles, thus being a part of ensuring safe and reliable mobility around the world. With 98 facilities across 21 countries, the division is a full-system solutions provider that can support our customers from the drawing board to production. The product portfolio includes components, electrical distribution systems (EDS), power modules, power packs and enterprise resource planning (ERP) systems. The division supports a wide range of vehicles, from passenger vehicles to two-wheelers to commercial vehicles, farm equipment and rolling stock.**

The global economy has recently faced multiple challenges. The pandemic, fluctuations in production due to chip availability, shortages of resources, logistical challenges, rising commodity costs and geopolitical tensions have all contributed to the unpredictability and uncertainty. Against this backdrop, our employees have worked tirelessly to identify solutions and provide support to our customers.

#### **Growing organically**

By consistently improving our performance, we have gained the trust of our customers and have been growing geographically alongside them. We also started supporting our customers in all the segments on the Electric Vehicle (EV) side as well. We were entrusted with new orders from new customers in all the regions including those entering the automotive market for the first time. Thanks to our customers for entrusting us with the responsibility when their normal supply chains were disrupted due to the pandemic and geopolitical events and our teams were able to help them. To meet the growing demands of our customers, we have set up

Greenfield and Brownfield projects across the globe. We have opened new facilities in Japan and expanded in Poland to take care of these additional businesses in record time to reduce and eliminate the disruptions caused to the customer. We have also expanded our rolling stock business to India thereby supporting the growth of regional and high-speed trains, which will lead to the economic development of the country.

#### **Expansion across geographies**

The division is also focusing on rebalancing its capacity to create more headroom and add capacity where necessary. We have ramped up capacity in our Serbia, Poland, Lithuania and UAE plants to cater to customer requirements in the region and also to de-risk supplies to them due to geopolitical concerns. During the year, we added new business from our customers in China to our Greenfield expansion. Despite the fact that overall market demand in China has decreased significantly, we anticipate a rebound in the second part of the year. These expansions will help us streamline operations and meet customer demand, increasing efficiency and creating more value for all our stakeholders.

#### **Expanding the product line**

The division is aggressively working on strengthening the product and

child part portfolio, to be future-ready to meet the requirements of the automobile of tomorrow. Connected and Autonomous technology has opened new avenues for harness products. We are consistently working on low voltage and interface harness components to sustain and grow the existing business. Sharp focus on speciality cables like RF, antenna, display, sensor and multimedia cables, miniature and hybrid connectors, advanced power distribution modules and complex channels is adding more content per vehicle for us. We started mass production for customers for high voltage cable solutions in India which we were already doing in European facilities. We also developed the next-generation digital boards as well as many supporting equipment for low-cost automation to support our associates and reduce the CAPEX. We will continue on the path to providing localised solutions to our customers. We also continue to update our smart factories and continuously use the latest IT tools to upgrade and support efficient operations. The continued growth of our product line has been inspired in part by our entry into the rolling-stock segment in India as well as by major industry trends such as electrification, which has prompted us to produce high-voltage cables and other electric-vehicle (EV) components. These new products and solutions reflect our commitment to meeting the changing needs of our customers.

#### **Growing the Motherson family**

Last year, we added Bombardier's Electrical Wiring Interconnection Systems (EWIS) business in



Huehuetoca, Mexico to our rolling stock portfolio, creating Motherson Rolling Stocks S. de R.L. de C.V. (MRS). MRS specialises in the design and production of electrical cabinets, power packs and EDS for industry-leading rolling-stock manufacturers. With this acquisition, we have further consolidated our position and footprint in this key segment.

**Operational excellence**

Strength and growth come through continuous efforts. Our structured approach to operating efficiently and following the laid down management systems resulted in ensuring operational excellence. The past few years have given the division several victorious moments to relish. They also stand testament to our teams' commitment, passion to perform and hard work in times of adversity.

**Motherson 2.0**

The recent reorganisation of Motherson - known as Motherson 2.0 - will allow the Wiring Harness division to draw on the group synergies arising from the new, simplified group structure. Working together has always been embedded in our DNA and Motherson 2.0 will allow us to make a bigger impact within both our division and the group, as well as for our customers.

**Planting seeds for sustainability**

As part of the global movement towards sustainability and in line with our governance tenets, the Wiring Harness division has formed a Sustainability Team responsible for implementing best practices across all units. We are launching energy-conservation initiatives

such as switching to motion-sensor-controlled lights, LEDs and energy-efficient appliances. Our sustainability principles will be applied to the supply chain as well. The division is working with our suppliers, to ensure that both our upstream and downstream activities support the global targets of Motherson and are aligned with the demands of our customers. For our employees, we are continuing to cultivate a diverse and inclusive environment in all division facilities. All employees are afforded equal access to professional development, ensuring that everyone can reach their highest potential. Our division also intends to carry on the long-standing Motherson tradition of social outreach by

'The division is well-positioned to continue serving our customers with cutting-edge products and services.'

creating initiatives to lift the lives of those in the surrounding communities. Although uncertainty persists in the world around us, the Wiring Harness division is well-positioned to continue growing and serving our customers with cutting-edge products and services.





# Vision Systems.

**Motherson is one of the leading global suppliers of automotive vision systems with a product range that includes exterior mirrors, interior mirrors, aesthetic surfaces and camera-based vision systems. The division, through its company Samvardhana Motherson Reflectec, has been a pioneer in the field of high-performance camera systems since introducing the world's first camera-based, intelligent blind-spot detection system in 2005. Since then, we have further developed our in-house expertise to become a provider of full-system solutions for conventional exterior mirrors and camera-based vision systems. Across our global operations, Vision Systems drives organic growth by continuously adapting to meet our customers' ever-changing and complex demands. With 37 facilities in 18 countries, the division combines expertise, a drive for innovation and the extensive manufacturing capacities of Motherson to design and produce innovative products that meet customer demands of the future.**

The division's success has been driven by continuous and dedicated efforts towards expanding our portfolio of products and services. Our current offerings include exterior mirrors with integrated cameras, aesthetic surfaces, innovative lighting features, rearview monitoring systems and integrated interior displays. By combining cutting-edge image-processing technology, high-quality optical components and experience in automotive interior and exterior products, we offer our customers a wide selection of durable, advanced solutions to meet their demands for vision systems. In addition to complete mirror units, the division specialises in a number of components, including reflector-glass modules, high-gloss moulding, LED turn-signal lamps, image-processing units, electronic control units, glass and power folding actuators and surround-view cameras, among others.

## Expanding into new geographies

In January 2021, Motherson acquired a majority stake in the Plast Met Group (Turkey), an acquisition that brings significant strategic advantages, such

as high-tech, in-house tooling capabilities and a competitive manufacturing footprint in Europe that can potentially serve as a sourcing hub for future growth in the region. Founded in 1987, Plast Met is a key supplier of plastic moulded parts, subassemblies and injection moulding tools. With two plants and more than 400 employees, Plast Met reported a turnover of Euro 28 million in 2020. The acquisition also provides Motherson with access to the Turkish automotive market, which produces approximately 1.3 million vehicles annually. Bringing Plast Met into the Motherson family also contributes to diversification, which aligns with the groups' 3CX10 strategy: no country, component, or customer constitutes more than 10% of revenue. Turkey is an addition to the list of countries where we already have established operations, expanding our footprint and creating new possibilities for growth.

With the 100-day integration plan for Plast Met successfully completed, its tooling facility is currently being upgraded to meet the division's standards and our employees receiving training in QCDDMSES philosophy, ensuring the Motherson DNA is embedded in all operations at Plast Met.

The addition of Plast Met will give us greater control over launch timings and will augment our current in-house tooling and prototyping capabilities, increasing our ability to meet our customers' demands. We are proud to welcome Plast Met into the Motherson family and look forward to capitalising on upcoming opportunities for creating value for our shareholders that this acquisition will bring.



We have also extended our footprint in China through the acquisition of a majority stake in Nanchang JMCG Mekra Lang Vehicle Mirror Co., Ltd., in October 2021 under Ningbo SMR Huaxiang Automotive Mirrors Ltd., which is a 50:50 joint venture of Motherson in China. This partnership strengthens our presence in the world's largest automotive market, providing access to new customers and vehicle segments and furnishing more opportunities for future growth and expansion.

Vision Systems has gradually ramped up production during the year in its plant in Tianjin, China and begun commercial production in its new plant in Warren, Michigan, USA. These expansions into new locations provide additional capacities, bringing us closer to our customers, allowing us to work more closely with them, building trust and ultimately establishing ourselves as a globally preferred sustainable solutions provider.

#### New order wins

During last year, Vision Systems has witnessed success in expanding our customer base, solidifying relationships with current customers and securing new contracts. We have added new customers in both Asia and Europe, with the new European customers coming principally from the electric vehicle (EV) sector. In addition, our existing customers have demonstrated an enduring trust in us by extending current contracts to cover their next-generation products, which gives us the opportunity to increase content and value per OEM. Vision Systems has also won a new contract with a premium OEM in the two-wheeler segment, which provides us with additional opportunities to grow further. We have also secured new contracts from Asian EV OEMs for our EcoMirror, a sustainable mirror remarkable for its lightweight construction, as well as contracts for next-generation camera monitoring systems (CMS) for new electric vehicles.

#### Setting our sights on innovation

Visions Systems recently introduced illuminated badges that in daylight are hidden until they are lit in darkness. There has also been a great deal of interest in the division's advance-surface technologies (AST) as well as in decorative interior trims and lighting. These products are distinctive not only for their advanced technology and durability but also for our signature styling. In addition to growing our EcoMirror portfolio, we are also exploring new opportunities for lightweighting our designs. For example, with our EcoMirror, we have simplified the design from separate power fold and glass actuators to a single unit, leading to a lighter, more efficient product.

Vision Systems has also been implementing efficiency programmes for improvements in productivity. The division is already incorporating the Programme Lifecycle Management (PLM) in Europe and North America and now intends to roll it out in other geographies. These efficiency improvements will allow members of the division to better connect and communicate, which in turn will enable us to better serve our customers.

#### The road to Vision 2025

As we look forward to Vision 2025, Vision Systems is pleased to report a flourishing order book with both internal combustion (IC) and electric vehicle (EV) manufacturers. The EV segment in particular promises to be an important catalyst for growth over the coming years. Our recent expansions into Turkey and China have provided considerable momentum towards achieving our Vision 2025 goals by creating opportunities in new markets, expanding our customer base and creating opportunities to increase our content and value per OEM. Working capital and capital expenditure (CAPEX) have been optimised and the division will be focussing on ROCE, increasing automation to improve efficiency as well as growing our margins through vertical integration, especially with regard to power fold and actuator technology.

The road to Vision 2025 is not without its own challenges; the division has been impacted by the global chip shortage as well as production disruptions, which have injected an element of unpredictability into our operations. Increase in raw material and energy prices along with chip shortages have necessitated purchasing materials from the open market at a considerable cost.

'The Vision Systems division is prepared to face challenges, driven by the 'never give up' attitude embedded in our DNA.'



We continue to closely work with our customers to mitigate these challenges. The situation in Ukraine is also contributing to this climate of uncertainty. Moreover, maintaining a stable workforce has been a challenge as attrition rates have risen in Hungary, Mexico, USA and Brazil, in part due to the aftermath of the COVID-19 pandemic. Nevertheless, the Vision Systems division is prepared to face these challenges, driven by the 'never give up' attitude embedded in our DNA.

#### Motherson 2.0

The Motherson 2.0 reorganisation will certainly play a key role in ensuring the division's resilience; under the new structure, Vision Systems has more opportunities to collaborate and share resources across the group. This also opens the door for new synergies in new geographies with sister companies that will expand the division's reach.

#### Working aggressively towards our sustainability initiatives

Vision Systems is committed to incorporating sustainability into its practices and products. For example, the plant in Chennai is currently investing in open-access solar power that will soon provide up to 50% of its power needs. Other initiatives include reducing waste and switching to renewable energy wherever possible across all division facilities. We are also focusing on continuously improving employee engagement and continuing to strengthen our workforce through training and upskilling.

Vision Systems is proud to be one of the leading global suppliers of rearview vision systems. Through new acquisitions, developing innovative, eco-friendly products and strengthening existing customer relationships while building new ones, the division aspires to create value for all its stakeholders as the journey to Vision 2025 continues.



# Modules & Polymer Products.

Motherson is one of the leading global manufacturers of automotive interior and exterior components with product lines ranging from build-to-print plastic parts to complex modules. The Modules & Polymer Products division has extensive expertise in various polymer processes including precision moulding, aesthetic surfaces, assembly and complex logistics solutions like just-in-time and just-in-sequence, which allows us to serve OEMs in a variety of segments, from mid-segment to premium passenger vehicles and large trucks to commercial vehicles. With 103 facilities in 25 countries, our footprint places us within reach of customers on five continents, positioning us as a local, full-system solutions provider across varied product ranges.

From the concept to design and eventually to manufacture and supply of finished products, the Modules & Polymer Products division is equipped to support customers at every step of the manufacturing process. By combining our commitment to quality with cost optimisation, we offer our customers innovative products that fulfil their requirements. Our line of interior components includes cockpits, instrument panels, door panels, centre consoles and decorative trims, etc. For vehicle exteriors, our product range includes bumpers, front-end modules and grilles, spoilers, rocker panels, window-sealing strips and much more.

The division is navigating several challenges faced globally by the automotive industry due to macro-economic factors including the semiconductor chip shortage, the war in Ukraine and the rising energy prices (especially in Europe). There is also a shortage of skilled workers coupled with rising wages and inflation, requiring that we manage costs while attracting and retaining

talent. With the 'never give up' attitude embedded in our DNA, we are looking at every opportunity to overcome these challenges and emerge into a stronger division.

#### **New products and increased content per vehicle**

A partnership with Valeo was signed this year for the integration of ambient lighting and advanced interior surfaces. We aim to integrate Valeo's lighting expertise into Motherson's interior automotive modules and components, such as instrument panels, door panels, centre consoles and other interior trims.

Our division has launched several new products, including in non-automotive segments. For the medical sector, we developed a new thermoforming part; we also introduced an In-Mold Decoration (IMD) part for white goods. We are proud to bring the expertise and knowledge we have developed in the automotive industry into non-automotive fields as we are able to grow our customer base and diversify our portfolio, both of which strengthen our company.

One of our strategies for meeting the ambitious Vision 2025 targets is increasing content and value per vehicle. For example, our new decorative parts for electric two-wheelers are attracting OEMs in the premium automotive segment. We are also expanding our product line to include vertical integration on high-end materials such as leather that align with the aesthetics of luxury vehicles.

#### **Recent successes**

The past year saw us win key new orders in the electric two-



wheeler segment as well as orders for exterior and interior components for major OEMs in South Africa. A new order was also placed for our exterior door handles and grilles. We also entered into an agreement with a technology leader from Japan for producing thermoforming accessory parts for several major manufacturers in South Africa.

Our order book for electric vehicle (EV) components has grown, with products for premium EVs for global OEMs. The division will significantly increase its market share in this category during the next five years. Our recently established partnership for supplying EV ambient lighting solutions will complement this growth in the EV space in the coming years. We are actively collaborating with our current customers who

are extending their EV offerings, in addition to new order wins in the EV segment. Our long-term, trust-based customer relationships, as well as our consistent track record in quality, cost and delivery, are major drivers of our growth strategy, resulting in a strong and diverse order book.

#### Footprint expansion

A Greenfield facility was inaugurated in Cuprija, Serbia. Spread across an area of about 20,000 square metres, the facility will manufacture automotive interior components and leather and artificial leather-covered parts for leading OEMs globally. It offers a unique knowledge base of highly skilled cut and sew and lamination processes in-house under one roof. The site will work together with other operating

sites of Motherson in Europe to create products with premium materials for customers who hold the highest quality standards.

Also, Greenfield expansions have taken place in Ananthapur, India and Shenyang, China to support the expanding business with leading OEMs.

#### Steps towards sustainability

We are taking many steps towards eco-friendly products and procedures, such as integrating used clothes in decorative parts of instrument panels. This is motivated by both Motherson's dedication to sustainable practices and the demands of our customers.

We are supporting the drive towards vehicle electrification through bumpers and interior components for large electric vehicles (EVs) and decorative parts for electric two-wheelers for the Indian market.

Lightweight materials are being incorporated into products like door panels, which help to the vehicle's energy efficiency. For Indian OEMs, we have localised the manufacturing of certain items such as our ambient lighting solutions and services such as aluminium bending, which is helping in the reduction of our carbon footprint as well as that of our customers. Many of our customers are pursuing decarbonisation strategies and by incorporating environmental friendly materials and practices into every aspect of our business, we are positioning ourselves to be a sustainable solutions provider willing and able to support our customers' sustainability requirements.

In our plants, we are exploring options for using solar energy and/or switching to renewable energy sources. Through EcoVadis sustainability assessments, we continually monitor our environmental impact and receive valuable guidance for improving our operations.

Modernising our plants will also contribute to the sustainability of our division. For example, we have installed a new paint shop with state-of-the-art technologies in one of our plants in Germany. Our injection-moulding machines are equipped with automatic shut-off mechanisms, which not only conserves energy but increases safety as well. Across our locations, we will continue to plan similar initiatives.



'Our efforts to protect the planet extend beyond our facilities; as part of our commitment to community engagement, we have organised a number of tree-planting events globally in the communities where we operate.'

#### Motherson 2.0

The recent reorganisation of Motherson will benefit the division in a number of ways, including being able to streamline operations. With channels of communication and collaboration now open across Motherson, we have unprecedented access to the full range of the group's knowledge, expertise, manufacturing capacity and working towards footprint rationalisation. New synergies will arise, which in turn will offer new opportunities for further insourcing which is expected to increase efficiency and give a fillip to innovation and growth. Working together as one family will allow us all to reach new heights.

#### Looking ahead to a brighter tomorrow

Despite the many challenges that the industry is facing, the Modules & Polymer Products division is continuing to succeed: we are growing our top line with a strong order book. Improving customer satisfaction has been a key focus and this has improved significantly leading to more opportunities from our customers. We are focussed on cost reduction initiatives and con-

tinuous improvements through cost-efficient automation to bring efficiencies in our production process and entire value chain. We firmly believe that our division is well-positioned and is on its way to helping build a better future for all our stakeholders.





# Elastomers.

Motherson supplies a wide range of elastomer-based solutions and products to a spectrum of industries including automotive, medical, home appliances and general industrial applications. Our in-house rubber mixing facilities in India and Australia guarantee extensive technical capabilities in the formulation and development of rubber compounds.

The elastomers business offers multiple solutions, including rubber injection moulding for a wide range of components primarily to the automotive industry, including grommets, boots, bellows, dampers, gaskets, seals etc. The range of compression moulded rubber components and extruded rubber products include weather strips, glass runs, boot and hood seals, tank straps, rubber flares, bonded components, suspension bushes, engine and transmission mounts, bump stops, large engine gaskets, auto suspension components and moulded rubber brake components for automotive, non-automotive and industrial applications.

### High-performance rubber solutions

Built on a foundation of strong commitment and world-class capabilities, it is one of the leading rubber manufacturers and is the only manufacturer of the Silentbloc™ anti-vibration range in India and Australia. The division envisages great opportunities for its Elastomers business to cater to different market segments and has come up with over 19,000 formulae for a wide range of applications, including 15 different polymers. In addition, it has garnered strong abilities in developing rubber compounds and also has a non-tyre-related rubber-mixing plant to service the clients' need for technological advancements.

The extrusion portfolio of the company consists of rubber profile and hoses extrusion with online and offline curing systems. We got the capability to do multiple-layer hoses and profiles for various automotive and industrial applications.

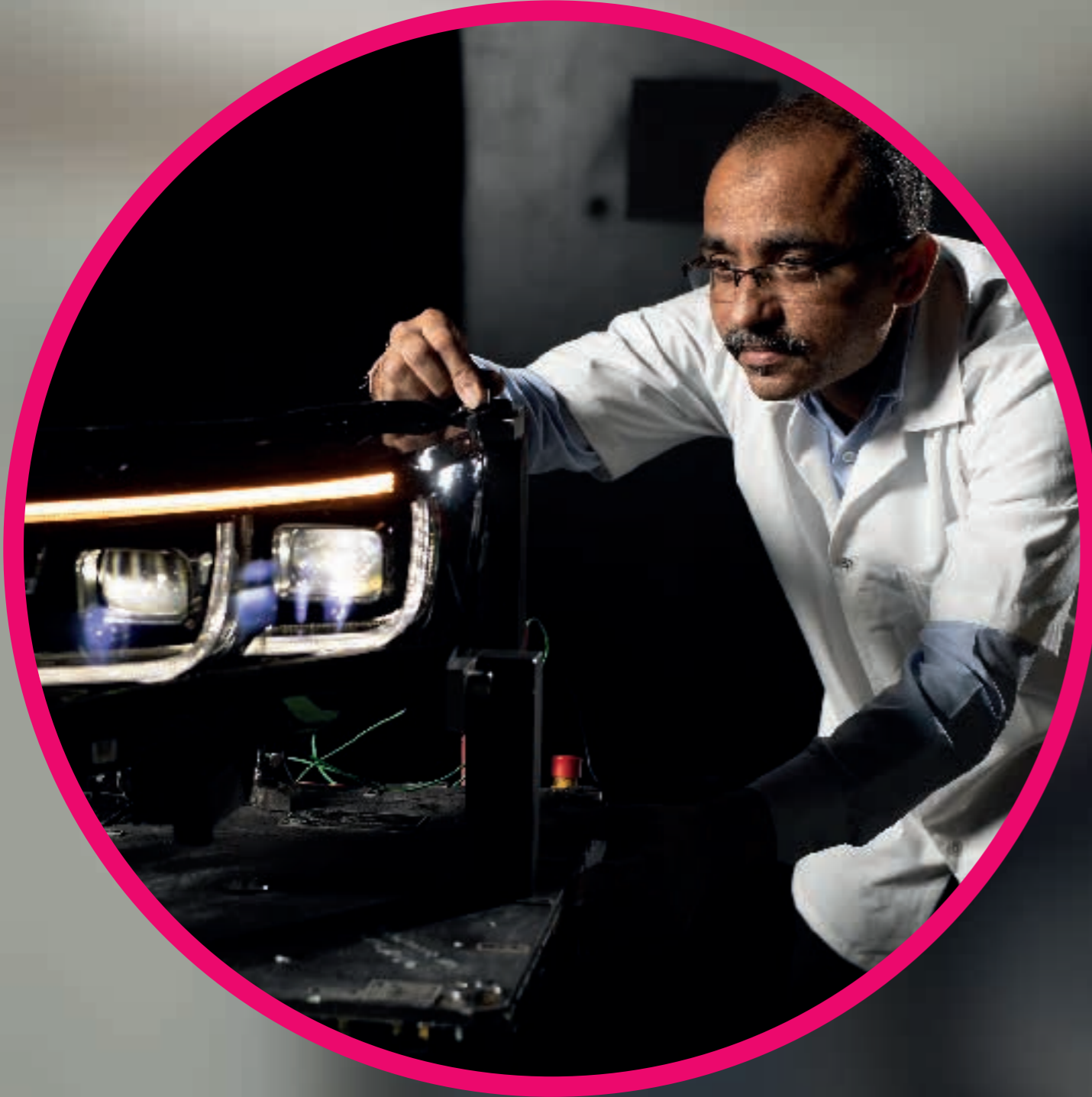
'The Elastomers Division specialises in elastomer processing, including rubber compounding and injection moulded rubber parts, bonded parts, hoses and extruded rubber components.'

### Vision 2025

Keeping in mind the Vision 2025 targets the road ahead is bright despite the many challenges that the industry is facing. The division has full in-house design and development capabilities to engineer and manufacture rubber products from initial concept to full-scale production. Key focus on the development of new applications especially for electric vehicles is giving us an edge against competitors.

The diversification of products and capabilities helps the division in providing customers with value-added products, services and innovative solutions. The manufacturing plants have state-of-the-art moulding setups, extrusion lines, and hoses lines with world-class, fully automated rubber-compounding facilities to match customer expectations for current and future needs.





## Lighting & Electronics

The Lighting & Electronics division encompasses a spectrum of businesses that focus on supplying to major automotive OEMs and also does business through direct channels. The division's product line includes front and rear exterior lighting solutions, LED modules, body control modules and electronic components, HVAC (heating, ventilation and air conditioning) systems, shock absorbers and aluminium die-cast components. On the independent aftermarket, we offer air compressors and paint-coating equipment. Our in-house design services and manufacturing capabilities – including plastic injection moulding, surface coating, welding, assembly and testing – facilitate our ability to assist our customers throughout their journey, ensuring they are satisfied with the final product.

With our 17 facilities in India as a basis, we collaborate with partners who are global leaders in their respective domains such as Marelli Europe S.p.A. (Italy), Marelli Corporation (Japan), Anest Iwata Corporation (Japan) and Youngshin Components Co. Ltd. (South Korea). As a result, we support our customers with a range of industry independent solutions. The central aim of the division is to become a globally preferred lighting and electronics solutions provider for its customers.

### Making strides towards organic growth

This fiscal year, we are proud to have received key orders from two major OEMs in Asia along with orders for electric vehicle (EV) supplies for the North American market, propelling the division's organic growth. We are grateful for the trust these customers place in us. Through an endless pursuit of excellence in our performance, we work hard to nurture our long-standing relationship with our customers and earn their trust and confidence. This trust allows our customers to give us more orders so that our order books are brimming for the period up to Vision 2025.

### Expanding the division's product and service line

To ensure customer delight, we continuously improve our skills, invest in new technologies and expand our capacities to meet the needs of our customers. As a result, the division has recently launched a number of new products and we are expanding our capabilities by building new plants. In Chennai, for example, we are developing a Brownfield plant for manufacturing brushless motors.

We also recently broke ground on our fourth lighting plant, which became operational in the last quarter of FY 2021-22. An additional Greenfield is being set up at Noida, India to provide a dedicated toolroom specific

for lighting applications. Furthermore, the division has entered into the medical sector with our industrial compressors, to make a positive contribution in an essential field. This expansion contributes to achieving our Vision 2025 target of 3CX10 target.

### Motherson 2.0 – one family

For Lighting & Electronics, the Motherson 2.0 reorganisation opens the door to greater cooperation across the group, which in turn will generate more synergies. We will benefit from operating as a single entity for our customers, who also will profit from an expanded range of possibilities. More simplicity, synergy and unity will help us to grow further and create more value for all our stakeholders.

*'There's a lot more effort being made on internal buying, insourcing and backward integration. We are trying to build everything within the whole system. With Motherson 2.0, we are able to scale up much more quickly than before.'*

– Mr. Vishal Kabadi,  
President,  
Lighting & Electronics division



'As part of our commitment to helping protect the planet, we are monitoring our CO2 output and investigating possibilities for incorporating more eco-friendly materials in our products.'

**Innovation and localisation**

Our focus on quickly localising production and bringing groundbreaking technologies into India has contributed to our rapid growth. This division strives to be a lean, responsive organisation, thinking beyond our current capabilities and taking an innovative approach by understanding industry trends and providing solutions for our customers.

Currently, we are further expanding our design centre in Pune to offer design solutions at a global level to our collaborator, which will further strengthen our position on the front lines of international trends. Our fully localised LED module and our brushless motor for EVs are two examples of innovative products that we have introduced in the global marketplace, which brings us closer to becoming a preferred sustainable solutions provider and allows us to create more value for our shareholders.

**Recent recognitions**

In order to earn trust, delighting our customers is always our greatest priority. Hence, all our operational programmes and strategies are directed towards maintaining the highest level of service. As a result, we are

delighted to receive recognition from the Confederation of Indian Industries (CII) for the best energy-conserving unit in the country. Our efforts towards setting new standards in good corporate citizenship have also been recognised by the Government of India as the 'Most Energy Efficient Unit' in the country. The division is proud to be awarded the Atmanirbhar Excellence Award for the localisation of our full LED lighting module by the Automotive Component Manufacturers Association of India (ACMA). In addition, we received recognition from all our customers which further solidifies our leading position in the industry.

**Succeeding sustainably**

In our value creation chakra, our focus on QCDDMSES helps us deliver the performance to our customers that earns their trust and brings us closer to being a globally preferred sustainable solutions provider. The 'S' for Sustainability has always been a part of that. We are honoured to have been recognised for our energy-conservation efforts. However, we are incorporating sustainability into other aspects of our production as well. As part of our commitment to helping protect the planet, we are monitoring our CO2 output and investigating possibilities for incorporating more reusable and eco-friendly materials in our products. Within our operations, the foundations are already in place as part of daily working life and we are committed to continuous improvement in everything we do.



'In order to earn trust, delighting our customers is always our greatest priority. Hence, all our operational programmes and strategies are directed towards maintaining the highest level of service.'





## Precision Metals & Modules.

Our Precision Metals & Modules division offers complete solutions in metal processing and integration of higher-level assemblies. The division's product portfolio includes operator cabins and HVAC systems for the off-highway, agriculture, commercial-vehicle and bus segments. In addition to manufacturing standard and customised cutting tools, hot and cold stamped parts, sintered metal parts, we offer thin-film coating and machining services. Our in-house design and development capabilities allow us to provide our customers with cutting-edge products tailor-made to meet their demands.

### Progress in the face of difficulty

The past year has presented the division with several challenges, including continuing effects of the pandemic as well as newly emerging issues such as the global supply chain problem, which has complicated the procurement of raw materials. Nevertheless, Precision Metals & Modules won multiple new businesses and capitalised on the post COVID-19 market rebound to record strong sales and solid profits.

### Growing on multiple fronts

Precision Metals & Modules is pursuing a three-axis growth strategy: growth through new products, new segments and new geographies. We have undertaken several key expansion projects in India, including our cabin facility in Chennai, which is now fully operational. The buildouts at the sintering facility in Puducherry and the machining unit in Bengaluru are expected to be completed in the first quarter of FY 2022-23. These expansions will help us to accommodate our ever-growing order book and to serve our customers better while creating value for all our stakeholders.

We are also working towards diversifying our product portfolio. New offerings for the die and mould industry include GSX endmills, MDF-type flat multi-drills, WEZ and DMSW cutters and the dual mill TSX. We have also introduced engine-hood and mudguards for construction equipment and a powder conveying system (PVC) for the polymer industry. These additions to our portfolio not only allow us to offer solutions to a broader range of customers but also enable us to enter non-automotive sectors such as food processing and pharmaceuticals. A diversified product line aligns us with the 3CX10 strategy of Motherson (no single customer, component or country should account for more than 10% of revenue), which makes our division more resilient in an ever-changing marketplace.

### Supporting sustainability

The division provides a number of products and services that support vehicle electrification, which is a key component of the auto industry's shift towards more sustainable practices. We offer HVACs for electric buses, machining solutions for electric vehicle (EV) components such as polycrystalline diamond (PCD) milling for battery terminals, profile-turning for EV rod guides and complete tooling for machining EV motor housings and axles. With many of our customers investing in electrification, we are well-positioned to support them with our EV specific machining capabilities.

We are also incorporating sustainable practices in our plants. For example, our facility at Fritzmeier Motherson Cabin Engineering Ltd. (FMCEL) has installed a zero-liquid-

discharge system for handling hazardous waste. The plant has also switched to using reusable metal skids instead of wooden pallets for shipping products.

In our product line, we have introduced and localised the production of the Ecodry adiabatic cooling system. This system offers many eco-friendly advantages over traditional cooling systems and conserves over 95% water while saving 40% on operating costs. In addition to automotive applications, this technology can also be deployed in data centres, pharmaceutical plants, power plants, petrochemical units, furnace cooling and hydraulic-oil cooling, among others, allowing us to deliver sustainable solutions across a variety of segments.

### Vision 2025 and beyond

The division has successfully navigated the rough waters of the past few years. Despite global challenges on multiple fronts, we have established a considerable market share in India and have accumulated nearly all the latest technologies related to automotive metal applications. Our customers have recognised our efforts, honouring us with a number of prestigious awards. We have expanded our facilities, ventured into new segments and will continue to diversify our portfolio and develop products both for automotive and non-automotive applications, all of which will aid us in reaching our Vision 2025 ambitions. But above all, we will continue to focus on meeting our customers' demands, exceeding their expectations and delivering industry-leading products and services that will establish us as a globally preferred sustainable solutions provider.





## Technology & Industrial Solutions.

The Technology & Industrial Solutions division manages IT services for Motherson and offers product support, validation, prototyping, computer-aided engineering (CAE) services and tool design. The division maintains a robust internal network that allows for an efficient, reliable and secure flow of information across the group. Using global Enterprise Resource Planning (ERP) systems and smart business applications, the division manages data, digitalises and integrates workflows and improves collaboration, all of which fosters more agility in decision-making and action plans.

Technology & Industrial Solutions also designs and manufactures a range of products, from connected car infotainment systems to customised telematics units (GPS trackers, Save-Our-Soul [SOS] and On-Board Diagnostics [OBD] devices), automation and robotics products and electronics for defence and industrial IoT applications.

The division also works with external clients, assisting them with automation and streamlining of business processes. The division's strengths lie primarily in intelligent warehousing, supply-chain enablement, software-application development, smart ERP customisation, cloud, Internet of Things (IoT) and big data analytics. The division works closely with customers at every step, from product design to testing to assembly and validation.

The division's flagship product for plant automation, iDACS (Intelligent Data Acquisition and Control System), was named a top 40 edge computing solution for global IoT by the Gartner Market Guide. In addition, our company Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited) under the Technology & Industrial Solutions division is listed as one of the top partners for Amazon Web Services (AWS) on Amazon's Partner Portal due

to multiple key imbibed competencies and is the first India-based organisation to achieve Artificial-Intelligence (AI) and Machine Learning competencies with AWS.

### Entering the healthcare sector

Recently, the division has entered the healthcare sector, offering solutions for external clients in four areas: health tech, med tech, pharma tech and wellness. Health tech includes technology-enabled devices designed to both improve patient care and reduce operational costs. In the med tech field, cutting-edge IT solutions for improvements to capital equipment and surgical procedures are offered. Technology & Industrial Solutions also supports pharmaceutical and biotech companies at various steps in the drug-manufacturing process, including assisting with compliance, regulatory approval and market access. The division offers products for individuals as well, including wellness apps that enable health monitoring and guidance.

Our product line also includes Infrastructure-Management Services, Cybersecurity and Digital Engineering services. The division leverages the IT expertise developed in the automotive sectors by Motherson to help external clients at strategic, tactical and operational levels with Industry 4.0 enablement and digitalisation.

### Working towards Vision 2025

Working towards Vision 2025 goals, the division is expanding its geographic footprint. With new offices established in Singapore, Spain and the Middle East this year we intend to further penetrate these markets through powerful partnerships to

pave the way towards future success. The year saw the division acquire new customers across diverse industry segments such as health-care, banking, financial services, insurance (BFSI) and logistics.

Internally, the operations of Motherson have been brought under one umbrella of digital security known as an Enterprise Platform Support (EPS). There are now centralised finance and purchase functions available on the internal network. The division is also driving the standardisation of the entire ERP system. Several programmes have been launched within Motherson for access to plant information, improvement of human-resource management and analytics intelligent insights and analytics for decisions across the value chain.

### Setting our sights on sustainability

Technology & Industrial Solutions is actively seeking ways to incorporate principles of sustainability into its business practices. The division has migrated its data rooms from on-premises to the Cloud, which is not only cost effective and more efficient but also more environment friendly. The division is also focused on improving employee experience and strengthening its talent-acquisition and retention programmes, such as the 'Strategic Transformation at Motherson Technology Services Limited for Action', an initiative aimed at talent culture performance. By becoming a great place to work, the division aims to attract and cultivate a deep talent pool of happy and productive employees who will drive the next generation of technology proliferation for Motherson.





# Aerospace.

The Aerospace division brings the decades of manufacturing experience, spirit of innovation and commitment to excellence of Motherson into an exciting industry. Backed by the broad range of manufacturing capabilities across the group, Aerospace plans to develop additional capacities to meet evolving industry needs. Our goal is aligned with the group's Vision; To be a globally preferred sustainable solutions provider that helps our customers realise their goals and meet the challenges of the 21<sup>st</sup> century.

## Aerospace remains a highly attractive industry

Although the COVID-19 pandemic posed an unprecedented challenge to the aviation industry, both business and leisure travel are recovering. Steadily growing new-aircraft build rates combined with increased sourcing from strategic best-cost countries has created new opportunities in this sector. Moreover, the industry is continuously adapting to the changing environment and preparing for a more sustainable future. This is a unique opportunity for us to be part of the evolution of the industry, devising new solutions to solve the emerging challenges in aerospace while creating value for our customers along the way.

## Our first aerospace acquisition

With the acquisition of a majority stake in CIM Tools, we have taken our first step towards diversifying into non-automotive activities as part of Vision 2025. Located in Bangalore, the epicentre of aerospace activities in India, CIM Tools' customer base includes major OEMs and Tier 1s in aerospace. The company has more than 60 industry certifications and qualifications and offers state-of-the-art services in machining, surface treatment and sub-assemblies for aircraft doors, wings, tail, fuselage and landing gear for all leading commercial aircraft in production today. Motherson aims to transform CIM Tools into a 'one-stop shop' for customers by adding products and services that complement its current offerings. By developing trust with global aerospace customers, we aim to widen our capabilities

and grow our content on aircraft over time as part of our quest to become a preferred sustainable solutions provider.

## Leveraging existing capabilities

With India set to become the world's third-largest aviation market (behind China and the US), we see tremendous potential in developing local manufacturing and assembly for the evolving Indian aerospace eco-system. By combining the experience and global capacities of Motherson, we believe we can offer customers a cost-competitive option for manufacturing and support.

## Working with major OEMs

Thanks to our expertise in plastics, the division has won a contract

from Boeing to supply plastic components for interiors of various aircraft. We are very proud of this achievement and look forward to a strong partnership in future. In addition, we see promising opportunities to extend our wiring harness capabilities into aerospace, backed by the extensive design and manufacturing experience we have developed through our activities in automotive and rolling stock. Additionally, Motherson supports the growing Indian space programme with components like dust covers, flex seals and high-precision metallic parts.

For the Aerospace division, our journey has just begun. With the intent to invest in expanding our capabilities and capacity, we believe we will be well-positioned to become a strong partner for aerospace OEMs and to help drive growth in the industry. We are delighted about the progress we have made in such a short time and excited about where we will go.

'With the acquisition of a majority stake in CIM Tools, we have taken our first step towards diversifying into non-automotive activities as part of Vision 2025.'





# Logistics Solutions.

The Logistics Solutions division handles transportation for finished vehicle (FV) in India and provides fourth-party logistics (4PL) solutions for all Motherson companies. Consisting of two entities - Samvardhana Motherson Global Carriers Limited (SMGCL) and Samvardhana Motherson Hamakyorex Engineers Logistics Limited (SAMRX), the division strives to be a preferred provider of environmentally and socially conscious transportation solutions.

The logistics industry in India is largely unstructured. Our aim is to change this and offer a much better service to both customers and drivers. The division operates one of the world's most advanced trucking fleets, with comfortable, air-conditioned cabs and large carrying capacities.

## A year of success

In 2021, SAMRX added 30 new trailers to our fleet. The division also won new orders in both vehicles and farm equipment and expanded our relationship with a current customer. SMGCL booked new orders for packaging, global freight and third-party logistics (3PL) solutions for several major OEMs.

SMGCL introduced several important innovations, including an integrated packaging project at one of our wiring harness facilities in Pithampur that will reduce incidents of damage, increase carrying

capacity and save on costs. We also launched a pilot programme for a pick-up module that will be an important step towards digitised logistics. SMGCL has also conducted its first Global Freight consolidation RFQ at Motherson's Regional Office of South Asia which has led to substantial savings, the project is rapidly being duplicated by other regions.

## Sustainability

The Logistics Solutions division is introducing packaging across the group that can be reused and recycled into new reusable packaging, truly embodying principles of circular economy.

In the People dimension of sustainability, we are supporting our employees with the implementation of a double-driver model to avoid accidents due to fatigue. In addition, we are offering drivers a fixed salary with retirement and medical benefits, ensuring their well-being and allowing us to attract and retain talent.

## The road ahead

The Logistics Solutions division is working towards contributing to Vision 2025 targets. The division recently conducted its first ever Global Logistic Leaders Meet to build momentum for global expansion. By growing our footprint, the division has the opportunity to make a difference, not just in India but worldwide as well.

'The Logistics Solutions division is introducing packaging across the group that can be reused and recycled into new reusable packaging, truly embodying principles of circular economy.'





# Health & Medical.

With the COVID-19 pandemic impacting the entire world, we have all realised the importance of global health systems. From having affordable and effective diagnostic testing to devising treatments, from producing and distributing protective equipment to developing vaccines, the pandemic challenged every sector in the healthcare industry to go above and beyond to battle this virus. Motherson is proud to have played a part in supporting the efforts – from a protective face mask designed for comfortable, long-term wear, to compressors for medical equipment, to a refrigerated truck for vaccine transport. Motherson is now taking a leap forward to expand our presence in the healthcare sector with the aim to make a difference for the global community for generations to come.

## Positively impacting lives

The Health & Medical division is driven by the purpose to 'Positively Impact Human Lives Worldwide.' Our aspiration is to build the business at scale globally. In the trillion-dollar healthcare market by 2026-27, Motherson's strengths of manufacturing at scale, global presence, customer focus and quality perfectly meet the market requirement to deliver high-quality, affordable healthcare products, solutions and services. This is a long-term endeavour supported by a strong conviction. By putting together the building blocks and developing the strategy in a conscientious manner, the business is laying the groundwork for future success.

## Our focus segments

The Health & Medical division is structured along four segments: Home Medical Equipment (HME), Durable Medical Equipment (DME), Diagnostic Imaging, In-Vitro Diagnostics and Health Solutions and Services. Across these segments, we will build the contract manufacturing portfolio to scale and become the partner of choice for our customers by enabling local manufacturing in global locations. The further plan would include moving up the value chain from manufacturing components to

high level assemblies to finished medical devices in plants with world class medical device standards and certifications. The business will focus on both organic and inorganic opportunities to fuel expansion.

## Product introductions

Health & Medical is proud of the work done in developing several innovative points of care devices, such as:

- **Re-Timer glasses** were developed to address sleep disorders. Using blue-light therapy, Re-Timer suppresses melatonin production in order to help users regulate their sleep cycles. The Re-Timer device is available in more than 40 countries and is currently the world's top-selling wearable light-therapy device. We are designing the next generation of Re-Timer, including exploring new applications and test cases for dementia patients and people with Down syndrome and enabling greater capabilities for connectivity.

- **The blood analyser device** promises to make a big difference for patients. Currently, having blood drawn can be a multistep process for patients, fraught with inconveniences of obtaining a referral to a lab, waiting for the results and then having to schedule a follow-up consultation with the doctor to discuss the outcome. For patients, this can entail distressingly long wait times. Our analyser is being designed using software and artificial intelligence (AI) to produce near-instantaneous results that can be immediately shared with both the patient and their doctor. This product is currently in the proof-of-concept stage.

## Building capabilities

The Health & Medical division is one of the newest businesses in the Motherson family, it is backed by the group's decades of experience and expertise in product design & engineering, software & artificial intelligence and supply chain & manufacturing. Other core capabilities that are unique to the healthcare segment are being continuously augmented. The business is partnering with universities, hospital systems, research groups, start-ups and healthcare companies to stay at the forefront of scientific and technical developments to deliver cutting-edge products.

A significant part of creating a successful and sustainable business is attracting talented people, investing in their development and growth and providing them opportunities to be successful in their careers. Motherson is proud to offer equal opportunity and access for all and the Health & Medical division will continue to recruit talent with core healthcare capabilities across diverse geographies. Bringing together a wide range of perspectives in a supportive and inclusive environment will allow the business to reach new heights in the industry.

The division is strongly positioned to play its role in accomplishing the group's goals in its five-year plan. With the purpose of 'Positively Impacting Human Lives Worldwide.' We guarantee top-quality products, solutions and services to our customers, made and delivered by people who care!





# Services.

The Services division engages in direct sales and services to end customers and supports their manufacturing operations. In addition to our state-of-the-art industrial park in Chennai, we provide a broad range of services, including manufacturing engineering, consulting, project management and providing turnkey supplies to the automotive industry.

The division also has two important joint ventures: we are working with the Sojitz Corporation (Japan) on the Chennai Park; with T-NET JAPAN Co., Ltd. (Japan), we are collaborating to provide engineering and consulting services in both automotive and non-automotive sectors.

### Supporting customer operations through adversity

The COVID-19 pandemic forced us to find new ways to share our solutions and stay connected with our customers and we emerged stronger and more resilient. Combining our in-house expertise, passion and our strong network of partners, we will continue to deliver products, engineering and consulting services no matter what the future may bring. Inspired by the 'never give up' attitude embedded in the Motherson DNA, we are committed to catering to customer requirements even in adverse conditions.

### Industrial park

With the Sojitz Motherson Industrial Park (SMIP), we aim to create one of the most well-equipped and infrastructure-rich manufacturing spaces in India. It has been designed to accommodate auto-ancillary manufacturing units and light engineering units and offers warehouses and ready-to-use factories. At SMIP, our job starts with understanding our customers' demands, which allows our employees to begin envisaging the perfect solutions.

### Automotive engineering and consulting services

We provide engineering, consultation, project management and turnkey supply and services for automotive, construction equipment, agriculture equipment, locomotives and general industries. The area of

'Combining our in-house expertise and our strong network of partners, we will continue to deliver products, engineering and consulting services no matter what the future may bring.'

intervention includes the overall operations and consultation, right from design to practice, from concept to implementation. Customers are given turnkey solutions.

### Vision 2025

With our industry-agnostic solutions and products, the Services division can support diversification into new industries, which will be a key driver in achieving the ambitions of Vision 2025. We are already in the process of augmenting our

capabilities and will continue to do so as the group expands organically and inorganically.

Our ultimate goal is to become a globally preferred sustainable solutions provider and the combination of our product line, expertise and the affordances of SMIP are bringing us closer to realising this ambition. On the way, we will continue to develop innovative products, seek new paths to efficiency and support our customers in every way we can.



# Awards and recognitions.

## Hyundai



## Maruti Suzuki



## Hyundai



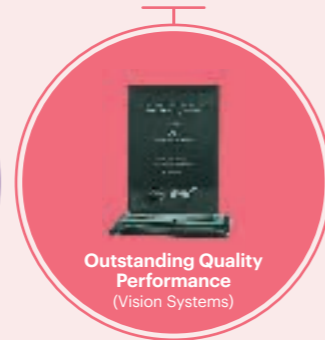
## Maruti Suzuki



## Hyundai



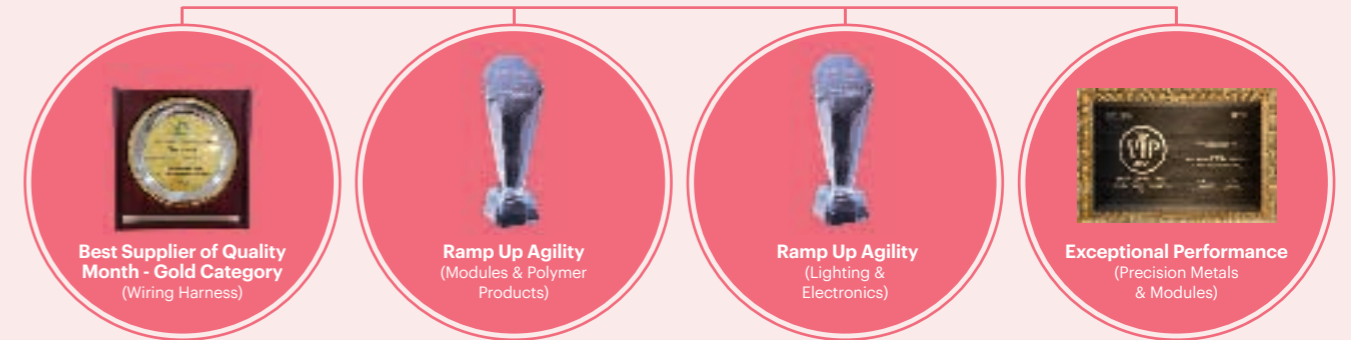
## Nissan



## Renault Nissan



## TATA Motors







### Toyota

-   
**Special Appreciation**  
(Wiring Harness)
-   
**Achieving Targets in Delivery**  
(Wiring Harness)
-   
**Achieving Targets in Delivery**  
(Modules & Polymer Products)
-   
**Achieving Targets in Quality**  
(Modules & Polymer Products)

### Ashok Leyland

-   
**Best Supplier**  
Quality, Cost & Delivery  
(Wiring Harness)
-   
**Runner Up**  
Non-Proprietary Category  
(Wiring Harness)
-   
**Excellent Parts**  
Quality & Line Support  
(Wiring Harness)
-   
**Sustained Business**  
Alignment for Decade  
(Wiring Harness)


### Toyota

-   
**Zero Defect Supplies**  
(Modules & Polymer Products)
-   
**Zero Defect Supplies**  
(Precision Metals & Modules)



### SAIC Maxus

-   
**Technology Contribution**  
(Wiring Harness)

### FCA Group

-   
**Best Supplier**  
(Lighting & Electronics)

### Ashok Leyland

-   
**Best Performance Gold**  
(Precision Metals & Modules)
-   
**Excellent Line Support & Parts Development**  
(Precision Metals & Modules)

### Foton Daimler

-   
**Extraordinary Contribution**  
(Wiring Harness)

### Changan Ford

-   
**Excellent After-Sales**  
(Vision Systems)

### General Motors

-   
**Supplier Quality Excellence**  
(Modules & Polymer Products)
-   
**Supplier of the Year**  
(Vision Systems)
-   
**Supplier Quality Excellence**  
(Lighting & Electronics)


### Sany

-   
**Sustained Performer in Quality**  
(Wiring Harness)

### Yamaha

-   
**Appreciation for Cost**  
(Wiring Harness)

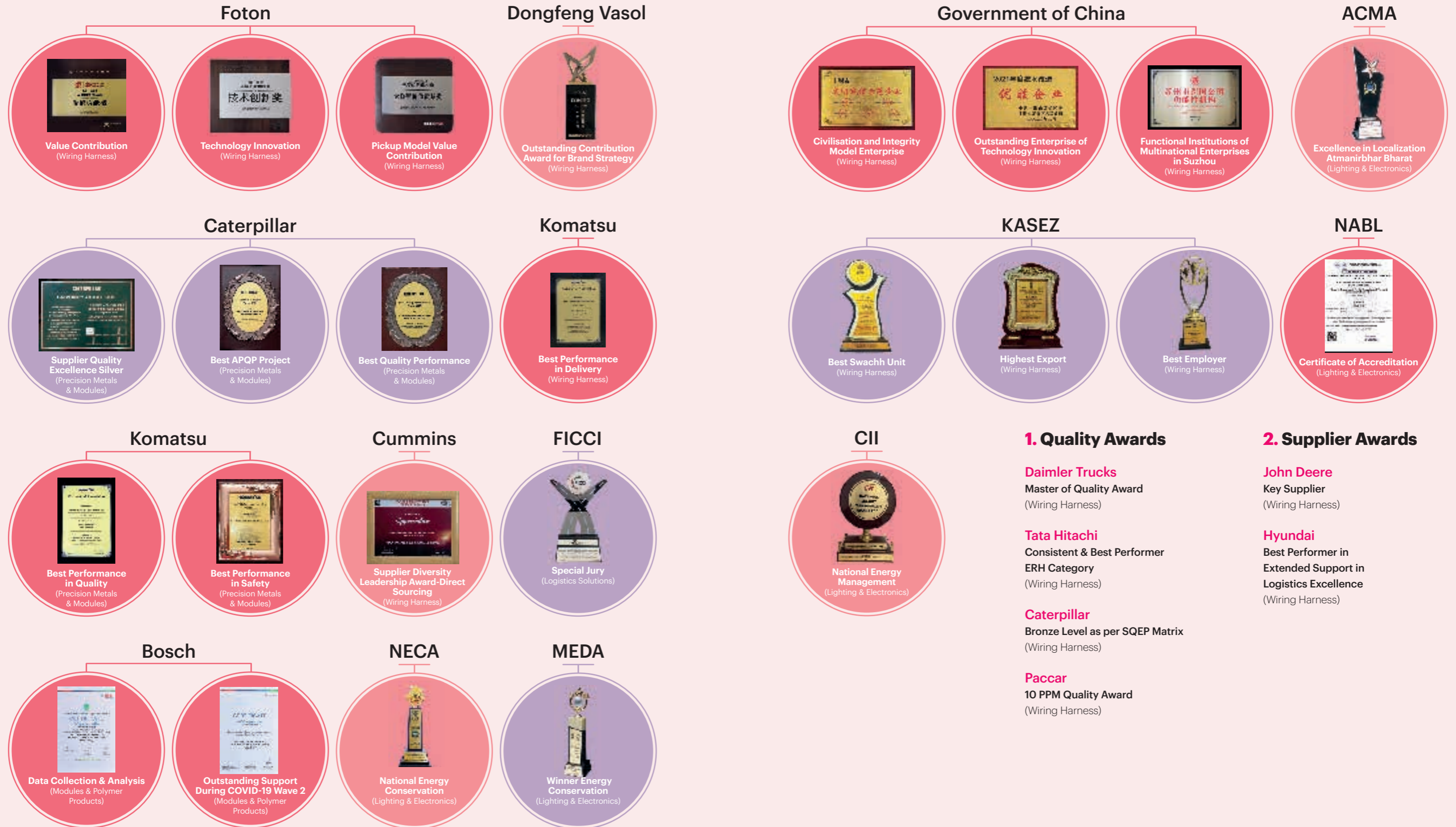
### Suzuki Motorcycle

-   
**Consistent Quality**  
(Wiring Harness)

### CNH Industrial

-   
**Supplier Excellence**  
Technology and Innovation  
(Wiring Harness)
-   
**Supplier Excellence**  
Aftermarket Solutions  
(Wiring Harness)





**1. Quality Awards**

**Daimler Trucks**  
Master of Quality Award  
(Wiring Harness)

**Tata Hitachi**  
Consistent & Best Performer  
ERH Category  
(Wiring Harness)

**Caterpillar**  
Bronze Level as per SQEP Matrix  
(Wiring Harness)

**Paccar**  
10 PPM Quality Award  
(Wiring Harness)

**2. Supplier Awards**

**John Deere**  
Key Supplier  
(Wiring Harness)

**Hyundai**  
Best Performer in  
Extended Support in  
Logistics Excellence  
(Wiring Harness)



# New facilities in Japan.

Motherson has established two new facilities in Hamamatsu, Japan to meet the requirements of its customers. The first facility in Hamamatsu is dedicated to supplying wiring harnesses for Suzuki Motor Corporation.

Our second facility in Hamamatsu is a design centre for Motherson as a whole, focused on wiring harness engineering as well as on polymer and mirror engineering. Both facilities have been inaugurated on the 26th of July, 2022.

The opening of these two facilities is a very important step for us, as it provides a basis for our further expansion in Japan. It has been



made possible by the trust reposed in Motherson by Suzuki San.

Hamakyorex, with whom we have our SAMRX logistics partnership in India, helped establish this facility

within just three months during the Covid period, when travel was very difficult. We would like to take this occasion to express our sincere gratitude to Suzuki San and Hamakyorex for their wonderful support.



'Motherson has established two new facilities in Hamamatsu, Japan to meet the requirements of its customer Suzuki Motor Corporation'

## MANAGEMENT DISCUSSIONS AND ANALYSIS

### 1. Motherson 2.0 – “The best is yet to come”

The Board of Directors, in its meeting on July 02, 2020, had approved a group reorganisation plan with the objective of simplifying the corporate structure, thereby creating value for the shareholders of the Company (“MSSL”). The reorganisation plan among other things, entailed demerger of Domestic Wiring Harness (“DWH”) business from MSSL into a new company Motherson Sumi Wiring India Limited (“MSWIL”) with mirror shareholding and subsequent merger of Samvardhana Motherson International Limited (“SAMIL”) into MSSL to consolidate 100% shareholding in Samvardhana Motherson Automotive Systems Group BV (“SMRP BV”) as well as to bring all auto component and allied businesses in SAMIL under MSSL.

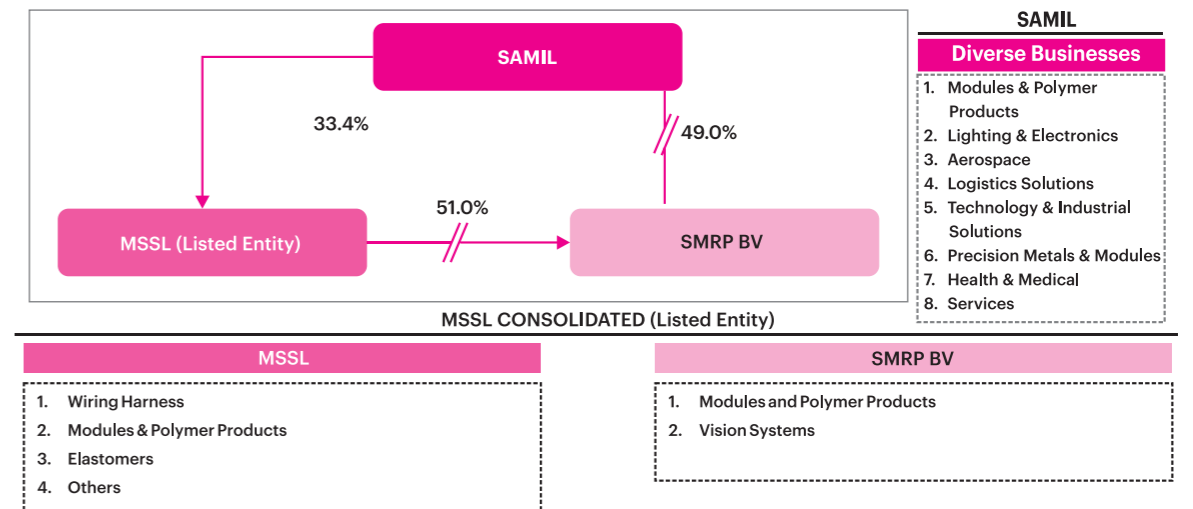
During the course of the financial year ended 31st March 2022 Samvardhana Motherson International Limited (“SAMIL”, formerly Motherson Sumi Systems “MSSL”) obtained all requisite approvals including from;

- the minority shareholders in April 2021 (99.4% in favour)

- Hon’ble National Company Law Tribunal, Mumbai Bench (“Hon’ble NCLT”) in December 2021 and all other requisite approvals
- Post the receipt of the necessary approvals, the record date for the demerger of DWH was set for 17th Jan 2022 and the record date for merger of SAMIL was set for 24th Jan 2022.
- The reorganisation has been completed now in all respects and there are two separate listed legal entities viz SAMIL (formerly MSSL) and MSWIL. Name of MSSL has been changed to SAMIL w.e.f 18th May 2022 as a consequence of the reorganisation. The number of shares of the company has increased from approx. 3,158 million shares to approx. 4,518 million shares.
- MSWIL got listed on BSE and National Stock Exchange India Limited (“NSE”) from March 28, 2022.

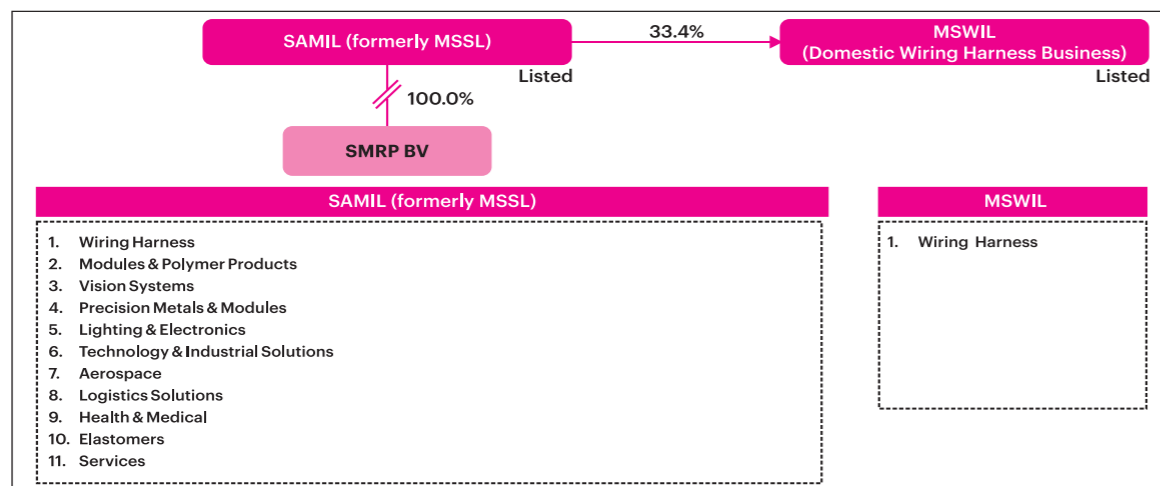
A pictorial representation of the business segments under various entities pre and post the completion of reorganisation is shown below:

#### a) Pre- reorganisation





a) Post-reorganization



### Benefits of Reorganisation.

- Enable pursuance of independent strategic priorities for the listed entities, while at the same time these entities continue to enjoy the benefit of the parentage of the Motherson Group as well as its strategic partner Sumitomo Wiring Systems (“SWS”)
- Simplifies the group structure and aligns the interest of all stakeholders as it brings all auto-component & allied businesses (of erstwhile SAMIL Businesses) under one Motherson umbrella thereby creating a strong platform for future growth.
- The reorganisation diversifies SAMIL revenue mix, product mix by addition of products like automotive lighting, shock absorbers, sheet metal, HVAC etc.
- The reorganisation also offers greater operational and financial flexibility to pursue organic/inorganic opportunities.

With the group reorganisation completed in FY22, the Company has embarked on a strong growth path called **Motherson 2.0**. All the group companies now under a simplified structure, with this unification we are very well positioned both financially and capability wise to undertake future growth prospects. This simplification not only unlocks value for shareholders but also unlocks larger set of synergies within the organisation enabling us to achieve our Vision 2025 targets.

## 2. Company Overview

### 1.1 SAMIL (formerly Motherson Sumi Systems Limited – “MSSL”)

Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited, hereinafter called, SAMIL or the Company) is a globally diversified

manufacturer and a full system solutions provider to customers in automotive and other industries. The Company is one of the world’s largest and fastest-growing suppliers for Original Equipment Manufacturers (OEMs) in the automotive industry. The Company is listed on BSE (formerly Bombay Stock Exchange Limited) and the National Stock Exchange of India Limited (NSE). As on March 31, 2022, the Company had 903,613 shareholders (March 31, 2021: 462,862 shareholders).

SAMIL supports its customers from over 300 facilities\* across 41 countries. It today features amongst one of the largest auto ancillaries in India and globally with market leadership in many of its product segments. It has 27 joint ventures with 25 partners. The Company has a philosophy of collaborating with global leaders to support customers by enhancing its geographical reach and technological capabilities.

The company is a full system solutions provider and has a diversified product portfolio which includes electrical distribution systems, fully assembled vehicle interior and exterior modules, automotive rear vision systems, moulded plastic parts and assemblies, injection moulding tools, moulded and extruded rubber components, lighting systems, electronics, precision metals and modules, Industrial IT solutions and services and new innovative technologies such as telematics etc. The group has expanded its presence to support customers in new segments including health and medical, aerospace and logistics. The diversified range of technologies and capabilities allows Motherson to support a wide spectrum of sectors, with automotive as the main industry served.

\* Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.

Below is an overview of the three large entities SMR, SMP and PKC.

### SMR

SMR Group is one of the largest manufacturer of vision systems for the automotive industry and supplies interior mirrors, exterior mirrors, and camera-based detection systems to almost all major car makers globally. From its divisional headquarters in Stuttgart Germany, SMR operates 37 facilities\* across 18 countries.

In April 2021, SMR completed acquisition of majority stake in Plast Met Group which enhanced its geographic footprint and ability to service customers in a new region. Also in October 2021, SMR via its JV in china, announced acquisition of majority stake in Nanchang JMCG Mekra Lang which was consummated within this financial year. It is a leading supplier of mirrors for passenger and commercial vehicles. For the details of the two acquisitions please refer to the section “Key developments in FY 2021-22”.

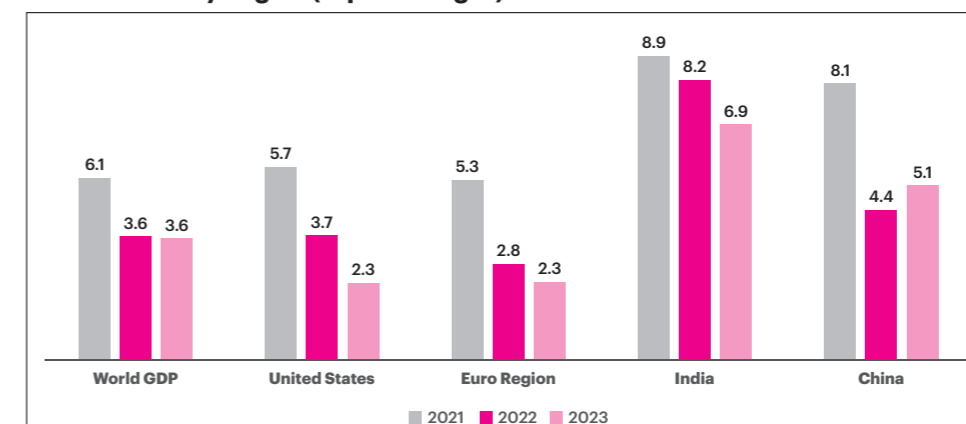
For the year ended March 31, 2022, SMR reported revenues of INR 112,639 million or EUR 1,301 million which is 18%<sup>1</sup> of consolidated group revenues.

### SMP

SMP group (including SMRC) is a leading specialist for exterior and interior modules and components in the automotive industry. Its product portfolio primarily comprises complete modules, including door panels, instrument panels, bumpers as well as other plastic components and systems, such as centre consoles, decorative interior trims and plastic body parts. SMP operates 71 facilities\* across 21 countries. For the year ended March 31 2022, SMP reported revenues of INR

\* Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.

### GDP Forecast by Region (in percentages)<sup>4</sup>



<sup>1</sup> Revenues of the segment divided by consolidated revenues of continuing operations

<sup>4</sup> IMF 2022, April: War Sets Back The Global Recovery

319,146 million or EUR 3,687 million which is 49%<sup>1</sup> of consolidated group revenues.

### PKC

PKC group is part of the Wiring Harness business division, engaged in designing, manufacturing, and integrating electrical distribution systems, electronics and related components for commercial vehicles industries, rolling stock manufactures and other related segments. PKC has 40 facilities\* across 13 countries. PKC revenues for FY2021-22 were INR 106,052 million or EUR 1,225 million which is 16%<sup>1</sup> of consolidated group revenues.

## 3. Macro Environment & Outlook and Key Challenges

### 3.1 Global and Indian Economy Outlook

Global Economy: Global economy saw a rebound in 2021 with global GDP growth at 6.1%, but by the time the year closed there were multiple headwinds due to the following factors:

- Resurgence of COVID-19 in different parts of the world
- Disruptions due to geopolitical uncertainties
- Inflationary pressures across all major commodities
- Continued supply chain challenges impacting automotive and allied industries

As a result of multiple headwinds that the world is facing, the 2022 forecasts for global economy growth has lowered to 3.6%<sup>4</sup> by IMF. Economies and various global institutions around the world are making concerted efforts to tackle the challenges presented by the multiple headwinds and prevent further economic fragmentation & maintaining global liquidity.



Indian economy is expected to grow at 8.2%<sup>4</sup> in 2022 according to IMF, making it the fastest growing economy with low external vulnerability compared to peers. However rising crude and commodity prices, and resultant impact of rising inflation remains a concern. The underlying economic fundamentals are strong and despite short-term turbulence, the impact on the long-term outlook is marginal. The growth-enhancing policies and schemes (such as production-linked incentives & government's push toward self-reliance) and increased infrastructure spend will ensure that India's growth remains intact.

### 3.2 Key Challenges

#### COVID-19 Pandemic Update

Covid-19 was declared a pandemic by World Health Organization in 2020. The myriad disruptions continue to have an adverse impact on global economies, consequences of which are observed in supply chain and volatile financial markets. Several measures were undertaken in the year to contain and cope with the COVID-19 challenges.

Motherson has continued to be resilient in navigating this headwind and being agile to keep production levels aligned with OEM's production schedules. During the year, several initiatives were introduced to bolster our financial position and ability to breathe with the market.

Our topmost priority has been health and safety of our employees and the wider community. The company has been modulating its response to tackle the pandemic and best serve the society during these challenging times. The regional chairman offices and business teams around the world have worked closely with local governments and frontline workers to ensure the safety of personnel by implementing COVID-19 regulations and safety measures such as vaccination camps, body-temperature checks, intensive sanitation, and social distancing by adhering to country specific guidelines. The employees adapted to a new way of working by using technology which facilitated on one hand uninterrupted communication and at the same time limiting physical meetings, on the other hand it allowed us to adapt production & shift patterns for better operational efficiencies.

The company also utilized its capabilities to serve the needs and welfare of society by manufacturing protective visors, including face masks & face shields and ventilators.

The company and its subsidiaries also donated Personal Protective Equipment (PPE) kits and food packages to surrounding communities worldwide.

We continue to mitigate the impacts of the pandemic by being resilient and empowering our employees to work towards our shared vision and goals and continue to breathe with the market to meet future challenges.

The future impact of this pandemic remains uncertain however it continues to have some lingering impact across regions both on OEM production levels and supply chain. This irregularity in production has impacted our performance in FY2021-22 and continues to remain a headwind in the near term.

#### Chip-Shortages

Semiconductor shortages have resulted in unprecedented challenges for the automotive industry. Demand was already greater than supply across multiple industries pre-covid, this coupled with the pandemic disrupted a complex supply chain from raw material sourcing to delivery of finished goods. OEMs are working very closely with the suppliers to resolve the chip related shortages. The uncertainty of supply continues to be a headwind globally. We continue to monitor the supply chain ecosystem for direct and indirect impacts to mitigate business risks. While difficult to predict, we expect the availability of chips to show continuous improvement throughout FY23.

#### Geo-Political disruptions

The recent disruption in geo-political dynamics in Europe has created sharp volatility in the global logistics and supply chain. This uncertainty has an ongoing impact on OEM production levels especially in Europe and thus has impacted our revenues in the region as well. This has also led to a sharp rise in inflation across the globe including the energy side and has impacted profitability in Q4 of FY 21-22. We continue to work closely with our customers and suppliers to find alternative solutions and mitigate the risks.

#### Inflationary Pressures

The supply shortages and inflationary trends across inputs such as commodities, labor and utilities have resulted in a sharp increase in costs across geographies. We have also faced these headwinds in our recent financial results.



Source: Bloomberg

We continue to work closely with our customers and suppliers to navigate through this uncertain environment.

### 4. Automotive Industry Outlook

The Global Light Vehicle Production has seen a drop from 92 Mn Units in FY19 to 76 Mn Units in FY22 due to multiple headwinds such as chip shortages, COVID-19 pandemic, and geo-political disruptions resulting in irregular production and line stoppages by OEMs globally. Similarly demand for Medium & Heavy Duty Trucks globally has also seen a drop from 2.5 Mn units in FY19 to 2.2 Mn units in FY22

Various agencies are forecasting global light vehicle production volumes to rebound to approx. 94 Mn units by FY25-26 and Global Medium & Heavy Duty Truck volumes to also recover to approx. 2.6 Mn units. The volume growth is premised on continuous strong demand and normalization of supply chain challenges.

Europe: Production for passenger vehicles in Europe was weaker in FY22 (vs FY21) due to supply chain disruptions and geopolitical uncertainties. Whilst the uncertainties are likely to continue in FY23 as well, however the underlying demand for vehicles continues to remain robust.

North America: The market for medium and heavy trucks has seen a strong recovery in FY22 and is expected to grow in the short term. Demand for light vehicles remained muted during the year, however as per industry forecasts, demand is expected to grow in the short term. Easing of supply chain related bottlenecks would support volume recovery and growth.

India: The Automotive Industry has shown signs of recovery from COVID-19 & supply chain induced challenges. New model introductions in the year FY2021-22 have been instrumental in volume recovery. The industry has been further incentivized by the government with the Automotive PLI scheme to increase manufacturing and localization of advanced automotive technologies which are expected result in further investments in the country in the foreseeable future.

Table 1: Global Light Vehicle Production (Units in Thousands)

Region	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Europe	21,766	20,179	16,604	15,048
North America	16,814	15,862	12,859	12,996
South America	3,392	3,138	2,268	2,520
Asia +Africa	50,797	44,664	45,701	45,933
<b>Global</b>	<b>92,769</b>	<b>83,843</b>	<b>77,431</b>	<b>76,497</b>

Source: S&P Global Mobility



**Table 3: Indian Automotive Production Units (Units in Thousands)**

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Passenger Vehicle	4,028	3,425	3,062	3,651
Growth	0%	-15%	-11%	19%
Commercial Vehicle	1,112	757	625	806
Growth	24%	-32%	-17%	29%
Three Wheelers	1,269	1,133	614	758
Growth	24%	-11%	-46%	23%
Two Wheelers	24,500	21,033	18,350	17,714
Growth	6%	-14%	-13%	-3%

Source: Society of Indian Automobile Manufacturers (SIAM)

**Commercial Vehicle****Table 5: Table below shows the production of commercial vehicles in the main global markets during the last 4 financial years (Units in Absolute).**

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
<b>North America</b>				
Heavy Duty Trucks	340,889	316,816	222,162	265,916
Medium Duty Trucks	285,568	283,970	237,667	260,050
<b>Europe</b>				
Heavy Duty Trucks	422,851	367,501	262,241	320,683
Medium Duty Trucks	73,953	68,158	52,228	53,667
<b>Brazil</b>				
Heavy Duty Trucks	77,841	89,535	70,124	127,669
Medium Duty Trucks	26,309	22,917	19,261	31,853
<b>China</b>				
Heavy Duty Trucks	1,119,112	1,142,193	1,906,097	1,017,787
Medium Duty Trucks	161,468	131,594	205,570	148,642
<b>Total</b>	<b>2,507,991</b>	<b>2,422,684</b>	<b>2,975,350</b>	<b>2,226,267</b>

Source: LMC Automotive (a GlobalData UK Limited company)

**5. Strategy Overview****5.1 Vision 2025**

Since 1995 we have been publishing 5-Year Plans, during which time we also published our vision "to be a globally preferred solutions provider". Adapting and evolving with the changing world we are also incorporating a new element around sustainability in our vision and henceforth our vision is "to be a globally preferred **sustainable** solutions provider" We continue to build the company

for the long-term, Our sixth 5-Year Plan, **VISION 2025** entails the following targets.

- USD 36 billion revenues in FY2024-25 with 40% ROCE (Consolidated)
- 3CX10: No Country, Customer or Component should contribute more than 10% to our revenues
- 75% of revenues from the automotive industry, 25% from new divisions
- Up to 40% of consolidated profit as dividend

During the last two years we have experienced a paradigm shift in the global environment plagued with COVID-19, chip shortages and change in the geo-political environment. The Company has been resilient and continues to persevere through this VUCA (Volatile, Uncertain, Complex & Ambiguous) environment. Our target has always been to achieve top-line growth as well as Return on Capital Employed (ROCE). The business teams are working diligently on various cost rationalization programs and reprioritizing new or ongoing investments. The Company continues to manage and mitigate the various risks that are arising in a complex and connected world.

The company channels growth via three pillars – Organic Growth, Inorganic Growth and Growth through Joint Ventures.

**Organic Opportunities**

With our philosophy of Return on Trust, we serve our customers whilst using QCDDMSES, an internal operational metric. This allows us to do more for our customers and also provides organic growth and improved cash flow from operations. With the support of our existing manufacturing capabilities and know-how, we continue to focus on development of new products and technologies to best serve our customers.

**Inorganic Opportunities**

Inorganic growth is a key pillar of our growth strategy. The current VUCA environment provides ample opportunities across the world. A large part of our inorganic strategy is driven by evaluation on the behest of our customers. We however very carefully evaluate opportunities that are a strategic fit and meet our internal investment thresholds. The focus is not only to achieve the topline growth but also keeping in mind the ROCE and other targets of our stated vision policy

**Collaboration**

The Company aims to be a single window solution provider to customers by bringing new technologies and products. We continuously evaluate ways to expand the product portfolio and "increase the content per car" via collaborations and new joint ventures. Our company started as a joint venture and today we have 27 joint ventures across the world with

technology and product leaders across various segments. This has immensely benefited us to shorten the time to market and to grow faster.

With all the 3 pillars of our growth strategy well in place, we remain confident on achieving our Vision 2025 targets.

**5.2 Diversification through 3CX10:**

Given the uncertainty across OEM production along with irregular supply chain disruptions, our focus has been to reduce the impact on us while supporting our customers to the fullest. Herein our strategy of diversification through 3CX10 (no customer, component, country should contribute more than 10% of our consolidated revenues). The De-risking strategy has been further tightened in Vision 2025 from 3CX15 to 3CX10 to factor in aberrations that may occur in a particular market.

Our strategy of 3CX10 has helped us manage the current uncertainties in an effective manner.

**5.3 Robust Balance Sheet**

We have a healthy Debt profile as for the year ended March 31, 2022 the net debt was INR 91,372 million (including lease liabilities of INR 13,688 million) with a 1.9x Net Debt to EBITDA ratio. This compares to a net debt of INR 60,290 million (including lease liabilities of INR 12,664 million) as of year ended March 31st 2021. The increase in debt was mainly on account of

- working capital expansion (mainly inventories) during the year due to supply chain related challenges and
- addition of INR 15,457 million (including lease liabilities of INR 992 million) of net debt due to merger of erstwhile SAMIL as a part of the reorganisation

The rating agencies have also acknowledged our robust position

- Moodys revised its Long Term Rating outlook on Motherson from "Negative" to "Stable" whilst maintaining corporate family rating (CFR) as Ba1
- Fitch reaffirmed SMRP BV with an issuer rating of "BB" with a stable outlook for the year. It is also rated at "BB" from S&P
- The company has also maintained its domestic ratings with various agencies as outlined with the table below

	ICRA Rating	CRISIL	India Research & Ratings
Commercial Papers	ICRA A1+ (Reaffirmed)	CRISIL A1+ (Reaffirmed)	IND A1+
Short Term Rating	ICRA A1+ (Reaffirmed)	CRISIL A1+ (Reaffirmed)	IND AAA / Stable / IND A1+
Long Term Rating	ICRA AA+ Stable (Reaffirmed)	CRISIL AA+ / Stable (Reaffirmed)	IND AAA / Stable
Non-Convertible Debenture		CRISIL AA+	IND AAA / Stable



Our teams are diligently working on operational efficiencies to ensure cash generation from organic activities.

We will continue to be guided by our company philosophy of maintaining a Net Debt to EBITDA ratio levels below 2.5x on a sustained basis.

#### 5.4 Sustainability

Sustainability has long been part of the foundations of our business. As the broader spectrum of ESG and related activities become increasingly important we are evolving by incorporating this element in our Group vision and continue to remain committed to being an active contributor for positive change. In FY2020-21 we published our first sustainability report along with the sustainability icon “tree of growth” to do better for the planer for the long-term and in this year, we are setting an ambitious goal of becoming Carbon Net Zero across our current global operations by 2040. The Company is actively working in accordance with Green House Gas Protocol (GHG) to reduce our emissions as scope 1 and scope 2 and evaluating scope 3 emission reductions as well. While the performance benchmarks at a business division may differ in the short term we remain committed to align with all stakeholder expectations to achieve our long-term goal as one Motherson.

#### 5.5 Key Developments in FY2021-22

Acquisition by SMR in Turkey: SMRP BV through its subsidiary SMR completed acquisition of 75% stake in Plast Met Plastik Metal San. ImalatveTic.A.S. (P.M Bursa) and Plast Met Kalip San.ve.Tic.A.S. (P.M-Istanbul) together known as Plast Met Group (Turkey) in April 2021. SMR will has thus entered a partnership with the founder of Plast Met Group, engaged in manufacturing of Injection moulded parts, sub-assemblies for automotive mirrors, trim modules and lighting systems and in injection moulding tools. This acquisition represents a geographic and market expansion with an entry into Turkey. This provides the company strategic advantage of a competitive sourcing hub for future growth in the region.

Acquisition of Bombardier’s Electrical Wiring Interconnection System (EWIS) in Mexico: The Company through its subsidiary, Fortitude Industries Inc., completed the acquisition of assets and activities of Electrical Wiring Interconnection Systems (EWIS) performed at Bombardier’s Transportation manufacturing site in Huehuetoca, Mexico in May 2021. The successful closure of this transaction will strengthen our relationship with Bombardier and enable the Company to better serve the North American Rolling Stock market.

Acquisition by SMR in China: SMRP BV via its joint venture entity Ningbo SMR Huaxiang Automotive Mirrors Ltd. (SMR-NBHX) has acquired 60% stake in Nanchang JMCG Mekra Lang Vehicle Mirror Co. Ltd. SMR-NBHX is a 50:50 joint venture in China in the year FY2021-22. Nanchang JMCG Mekra Lang Mirror Co. is key supplier in China for automotive mirrors for passenger vehicles and pick-up trucks and light & heavy commercial vehicles. The footprint expansion to serve new customers and segments in this region is of strategic importance to the company for future growth and expansion.

Entry into Aerospace through acquisition of CIM Tools: Motherson Aerospace division had announced acquisition of 55% stake in CIM Tools Pvt Ltd (“CIM”) in October 2021. The transaction was successfully completed in April 2022. CIM specializes in machining, surface treatment and sub-assembly of components for Aerospace. The acquisition strengthens Motherson’s ability to serve the Aerospace Industry with access to existing and well-established customer base. The successful closure of this transaction is another step forward in the diversification strategy for Motherson.

Participation in Auto PLI Scheme: The Government of India, launched the Automotive PLI (Production Linked Incentive) scheme for automobile and auto components with financial incentives to boost domestic manufacturing of advanced automotive Technology products and related value chain. The Auto PLI scheme is valid from FY2022-23 to FY2026-27 with a budgetary outlay of INR 25,938 Cr. Our application has been considered and approved in January 2022. The Company believes this is a great facilitator and we aim to bring new technologies and processes into India through our existing or new businesses and further bolster the capability set.

Inclusion in Dow Jones Sustainability Index: Motherson Group is committed to the full scope and pillars of sustainability in business. In December 2021 we joined the UN Global compact to be aligned with SDG’s Sustainable Development Goals and published our first sustainability report in 2021 further to this Motherson has also be included in the Dow Jones Sustainability Index (DSJI) representing the top 10% of the largest 2,500 companies as identified by S&P Global through corporate sustainability assessment.

### 6. Financial Performance FY2021-22

#### Financial Highlights

Despite all the headwinds, the company has been able to demonstrate resilient financial performance by achieving growth in revenues as well as profitability.

On a Full Year Basis, The highlights are summarized as follows:

- In FY2021-22, The Company reported revenues from continuing operations amounted to INR 628,317 million against INR 569,513 million for FY2020-21, representing a growth of 10% year-on-year.
- Share of revenues from only EV programs has increased to more than 4% of revenues from continuing operations in FY2021-22.
- Reported Earnings before Interest Tax and Depreciation & Amortization (EBITDA) from continuing operations on consolidated basis was INR 48,393 million or 7.7% of revenues for FY2021-22 as compared to INR 45,226 million or 7.9% of revenues in FY2020-21. Despite all the headwinds throughout the year we were able to maintain the margins.
- Reported Profit before taxes (before exceptional items, share of net profit of investments accounted for using equity method) (PBT) from continuing operations in FY2021-22 was INR 14,563 million as compared to INR 11,507 million in FY2020-21 respectively.
- Reported Profit after Tax (PAT) concern share from continuing operations in FY2021-22 was INR 5,096 million as compared to INR 7,125 million in FY2020-21 respectively.
- Capex spend for the year FY2021-22 net of disposals was INR 24,363 million (including INR 454 million pertaining to discontinued operations till effective date of the scheme).
- Reported Earnings Per Share (EPS) from continuing operations is INR 1.46 in FY2021-22 as compared to INR 2.26 per share in FY2020-21. The EPS in FY2021-22 is on the expanded capital base on account of reorganisation<sup>8</sup>
- SMRP BV orderbook<sup>9</sup> of EUR 16.1 billion as on March 31, 2022, as compared to EUR 15.6 billion for the previous year ended March 31, 2021. During the year new orders worth EUR 4.7 billion of lifetime sales were received.

### Consolidated Financial Results (SAMIL formerly MSSL)

The Company’s consolidated financial results are summarized in the table below.

INR in Million

Results (continuing operations)	FY 2020-21	FY 2021-22	% change
Total revenue from contract with customers	569,513	628,317	10.3%
Cost of goods sold	325,979	367,363	12.7%
Employee cost	140,996	153,746	9.0%
Other expenses	63,135	69,637	10.3%
EBITDA*	45,226	48,393	7.0%
Finance costs	5,115	5,426	6.1%
Depreciation and amortisation expense	29,260	29,582	1.1%
Profit before tax from continuing operations	11,733	14,242	21.4%
PAT (concern share)	7,125	5,096	-28.5%
Earnings per share	2.26	1.46	-35.4%

\*Before dividend income and interest income

#### Major Cost Contributors

##### A. Cost of Material:

Cost of material includes purchase of raw materials, purchase of goods and tools for resale, discounts for prompt payment, purchase returns and similar transactions, volume discounts, change of inventories, consumption of other supplies and purchase of traded goods. These are primarily variable in nature based on the product mix sold during the period. The key raw materials are Copper, Resin & Glass and various bought out and finished components with various materials.

For the financial year ended March 31, 2022, the cost of material was INR 367,363 million against INR 325,979 million for the corresponding previous financial year ended March 31, 2021.

As a % of revenue, the cost of material was 58.5% for the financial year ended March 31, 2022, which increased as compared to 57.2% for the financial year ended March 31, 2021, primarily due to change in product mix and increase in commodity prices primarily for Resin & Copper.

<sup>8</sup> The number of shares computed for EPS for FY2021-22 is based on the weighted average outstanding shares for the year.

<sup>9</sup> Order book is lifetime sales of awarded programmes which are yet to start production. Revenues are a function of execution of order book and net increase/decrease of ongoing programs



The company is regularly undertaking initiatives such as Value addition, Value Engineering (VA-VE) to reduce its material costs as well as undertaking horizontal and vertical integration to offer better solutions to the customers.

#### B. Employee Cost

Employee cost was 24.5% of Revenue for the financial year ended March 31, 2022, compared to 24.8% during the financial year ended March 31, 2021.

#### C. Other Expenses

Other expenses primarily consist of general administrative expenses, energy costs, repair and maintenance costs, rental & lease costs, freight & forwarding costs, auditor's remuneration, net foreign exchange loss and legal & professional fees.

During the financial year ended March 31, 2022, other expenses were at INR 69,637 million compared to INR 63,135 million during the financial year ended March 31, 2021. Though there was increase in energy costs, freight charges and other manufacturing overheads, the group managed to maintain overall other expenses at 11.1% of revenue, which is same as previous year level as a percentage of revenue, by taking various measures to control other variable expenses.

#### D. Finance Costs

Finance costs consist primarily of interest expense on borrowings, finance leases, loan processing fees, commitment charger. Mark to market loss/(gain) on fair value hedge and foreign exchange loss/(gain) on long term loan facilities are also part of finance cost. During financial year ended March 2022 finance cost amounted to INR 5,426 million as compared to INR 5,115 million, during financial year ended March 2021. Finance cost during financial year ended March 31, 2021, was lower mainly due to exchange gain on foreign currency loan, recognized during financial year ended March 31, 2021.

#### E. Exceptional (Income) / Expenses

Exceptional expenses amounting to INR 481 million incurred during the financial year ended March 31, 2022, is in connection with the implementation of

the composite scheme of arrangement. During the financial year ended March 31, 2022, exceptional expenses amounting to INR 623 million includes INR 199 million incurred in connection to the composite scheme of arrangement for group reorganisation and EUR 5 million was onetime costs on account of early redemption of USD 375 million senior secured notes and write-off of unamortized transaction in SMRP BV.

#### F. Depreciation and Amortization Expenses

Depreciation & Amortization refers to the amount recognized in the income statement reflecting the amortized cost of the tangible and intangible assets on a straight-line basis over the estimated useful life of the assets. This also includes depreciation on right to use assets recognized under INDAS-116 in respect of lease contracts.

For the fiscal year ended March 31, 2022, Depreciation & Amortization expensed were INR 29,582 million in comparison to INR 29,260 in FY2020-21.

#### G. Share of Profits from associates / JVs

The share in net profit of associated and Joint Ventures is INR 160 million during financial year ended March 31, 2022, down compared to INR 849 million during the financial year ended March 31, 2021.

#### H. Income Taxes:

Income Tax represents the sum of tax currently payable under the laws of each jurisdiction in which business is conducted and deferred tax as per accounting standards. Taxes are calculated at domestic tax rates applicable in respective countries

For the year ended March 31, 2022, the Tax expense (net) was INR 6,069 million as compared to an Tax credit (net) of INR 694 million in the fiscal year ended March 31, 2021. This is mainly because deferred tax assets (net benefit) amounting to INR 6,760 million recognized during FY2020-21, which includes amongst others, deferred taxes assets on carried forward tax losses for the periods prior to the year ended March 31, 2022.

### Consolidated Financial Position (SAMIL formerly MSSL)

As on INR in Million

Financial Position	March 31, 2021	March 31, 2022	% change
Property, plant, and equipment	143,738	145,252	1.1%
Right-to-use assets	14,383	16,031	11.5%
Capital work-in-progress	8,383	12,488	49.0%
Investment properties	1,281	5,241	309.1%
Goodwill	24,718	33,743	36.5%
Other intangible assets (including intangible assets under development)	17,257	14,454	-16.2%
<b>Other assets</b>			
- Inventory	49,956	64,417	28.9%
- Trade receivables	71,877	80,247	11.6%
- Cash & bank balance	59,062	49,994	-15.4%
- Other assets	72,405	140,834	94.5%
Assets classified as held for distribution	17,790	-	
<b>Total assets</b>	<b>480,850</b>	<b>562,701</b>	<b>17.0%</b>
Liabilities of continuing operations (other than borrowings and lease liabilities)	187,362	197,758	5.5%
Liabilities directly associated with the assets held for distribution	8,353	-	
<b>Net assets</b>	<b>285,133</b>	<b>364,943</b>	<b>28.0%</b>
<b>Source of funding:</b>			
Net worth	123,943	204,220	64.8%
Reserve on amalgamation and consolidation	1,663	1,663	0.0%
Non-controlling interests	40,233	17,763	-55.8%
<b>Loans outstanding:</b>			
- Long-term loans payable within one year	18,370	10,551	-42.6%
- Short-term loans (other than payable within one year)	13,575	32,051	136.1%
- Long-term loans	74,687	85,007	13.8%
- Lease liabilities	12,664	13,688	8.1%
<b>Total loans including lease liabilities</b>	<b>119,296</b>	<b>141,297</b>	<b>18.4%</b>
Cash & bank balance (excluding unpaid dividend)	59,006	49,925	-15.4%
<b>Loans (net of cash and bank balances)</b>	<b>60,290</b>	<b>91,372</b>	<b>51.6%</b>
<b>Net Debt (excluding lease liabilities)</b>	<b>47,626</b>	<b>77,684</b>	<b>63.1%</b>

The above reported cash and bank balance (excluding unpaid dividend) of INR 49,925 million as on March 31, 2022, includes cash and bank balance of SMRP BV & PKC amounting to INR 31,180 million (EUR 372 million) and INR 5,987 million (EUR 71 million) respectively.



## Ratio Analysis

Key Ratios	FY2020-21	FY2021-22
Current Ratio (in times)	1.04	1.01
Debt - Equity Ratio (In times)	0.96	0.69
Debt Service Coverage Ratio (in times)	2.26	3.17
Return on Equity Ratio (in %)	14.18%	5.22%
Inventory Turnover Ratio (in times)	6.20	6.54
Trade Receivable Turnover Ratio (in times)	8.28	7.91
Trade Payable Turnover Ratio (in times)	3.13	3.38
Net Capital Turnover Ratio (in times)	185.15	116.17
Net Profit Ratio (in %)	2.6%	1.3%
Return on Capital Employed (in %)	7.6%	5.9%
Return on Capital Employed (in %) (excluding fair valuation impact)	7.6%	7.2%*
Return on Investment (in %)	10.3%	0.5%

Return on Capital Employed (operating) defined as EBIT divided by Average Capital Employed where

- Average Capital Employed is the average of opening and closing Capital Employed.
- Capital employed: Total assets less total liabilities (excl. debt and lease liabilities) less changes due to fair valuation of net identifiable assets (of erstwhile SAMIL, its subsidiaries and joint ventures) recognized Pursuant to the Composite Scheme of Amalgamation and Arrangement in SAMIL (formerly MSSL) ("PPA Accounting").
- EBIT: Reported EBIT plus proportionate share of EBIT from joint ventures and associates' plus enhanced portion of depreciation and amortization on account of PPA Accounting as per Composite Scheme.

In the transaction pursuant to the Composite Scheme of Amalgamation and Arrangement, the company did not expend any cash and consideration was paid in form of shares. However, PPA accounting led to an increased asset base on account of fair valuation of investments of erstwhile SAMIL. As this increase is non-operating and non-cash in nature and has been created from an accounting perspective, we have excluded the same from capital employed in operations (INR 58,867 million for year FY 2021-22) as well as corresponding increase in Depreciation and Amortization (INR 366 million for the year FY 2021-22).

Since the demerger of MSWIL had appointed date of 1<sup>st</sup> April 2021, it was separately reported as discontinued operations for first 9 months of FY 2021-22. The demerger was effective from 5<sup>th</sup> January 2022 making SAMIL 33.4% shareholder in MSWIL. Thus for only this year i.e. FY 2021-22, to have a like to like comparison, the proportionate share of EBIT of MSWIL for first 9 months of FY 2021-22 amounting to INR 1,651 million has been added to the reported EBIT from continuing operations for FY 2021-22.

Note 1: The proportionate share of EBIT from joint ventures and associates for FY 2021-22 for continuing operations was INR 605 million.

### Capital Expenditure

During the year, the Company incurred capital expenditure of INR 24,363 million (Previous Year INR 19,325 million) which has been financed from internal accruals within the group and external borrowings. The Company has been on a growth path and continues to invest in state-of-the-art technology and continues to reinvest in new technologies to remain competitive. The capex done in this fiscal period was on account of new programs, capacity enhancements, productivity improvements and maintenance capex.

Segment-wise breakdown of expenditure is summarized below:

Segment	FY2020-21	FY2021-22
SAMIL Standalone	1,904	2,581
SMP	11,342	13,129
SMR	2,796	2,852
PKC	2,989	3,852
Others	294	1,949
<b>Total</b>	<b>19,325</b>	<b>24,363</b>

The details of capital expenditure are described in respective segments.

### Cash Flows

The operating cash flows (after working capital) for FY2021-22 were INR 24,627 million (FY2020-21: INR 50,513 million) with higher capex of INR 24,363 million (FY2020-21: INR 19,325 million). The following table summarizes the Company's consolidated cash flows for the current and previous years.

### Consolidated Cash Flow Statement

INR in Million

Consolidated Cash Flow (Including discontinuing operations till effective date of composite scheme of arrangement)	FY2020-21	FY2021-22
<b>Cash flow from operations</b>	<b>56,113</b>	<b>32,951</b>
Taxes paid	(5,600)	(8,324)
<b>Cash flow from operating activities</b>	<b>50,513</b>	<b>24,627</b>
Capital Expenditure (Net of disposal)	(19,325)	(24,363)
Proceeds from sale / (payment for purchase) of investments (net)	(73)	135
Consideration paid on acquisition of subsidiaries net of cash balance acquired	-	(1,081)
Dividend received	150	793
Interest received	635	1,157
Cash flow from other investing activities	(322)	240
<b>Cash flow from Investing activities</b>	<b>(18,935)</b>	<b>(23,119)</b>
Proceeds & (repayments) of borrowings	(11,325)	2,456
Dividend paid	(1,612)	(6,457)
Interest paid	(4,141)	(5,528)
Cash flow from other financing activities	(3,897)	(2,645)
Cash flow from financing activities	(20,975)	(12,174)
Net Increase/(Decrease) in Cash & Cash Equivalents	10,603	(10,666)
Net Cash and Cash equivalents at the beginning of the year	48,688	59,366
<b>Cash and cash equivalents as at current year closing*</b>	<b>59,291</b>	<b>48,700</b>

\*(excluding exchange difference on bank balances in foreign currency with banks)



## Operating Activities

Net cash generated from operating activities during FY2021-22 was INR 24,627 million. Cash generated from operations before changes in working capital & income tax was INR 53,736 million. Increase in working capital due to increased level of inventories caused by irregular production stoppages by customers due to chip shortage as well as increase in engineering working capital for new projects.

## Investing Activities

In FY2021-22, Net cash flow utilised in investing activities was INR 23,119 million, primarily for the purchase of property, plant & equipment amounting to INR 24,363 million (net of disposal) elaborated under "Capital Expenditures" above. Further to this INR 1081 million was consideration paid on acquisition of subsidiaries net of cash balance acquired.

## Financing Activities

In FY2021-22, Net cash flow utilized in financing activities was INR 12,174 million. Dividend amounting INR 4,724 was paid during financial year ended March 31, 2022. During the year INR 1,733 million was paid to minority shareholders of the joint ventures fully consolidated in the annual financial.

During the year the company issued non-convertible debentures amounting INR 10,000 million from Indian debt market.

## REVIEW OF PERFORMANCE BY SEGMENT/ SUBSIDIARIES

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the group.

The group's CODM examines the group's performance in five reportable segments of the business.

The following table shows performance of different business segments during financial year ended March 31, 2022 as compared to financial year ended March 31, 2021:

INR in Million

Particulars	FY2020-21		FY2021-22		Growth %	
	Revenue*	EBITDA	Revenue*	EBITDA	Revenue	EBITDA
SAMIL Standalone (continued operations)	36,353	4,892	52,970	7,845	46%	60%
SMR	111,319	12,209	112,639	10,400	1%	(15%)
SMP	304,800	17,932	319,146	20,182	5%	13%
PKC	89,819	5,827	106,052	4,442	18%	(24%)
Others*	39,781	4,286	54,146	6,107	36%	42%
Intersegment	(12,559)	80	(16,635)	(82)		
<b>SAMIL Consol (continued operation)</b>	<b>569,513</b>	<b>45,226</b>	<b>628,317</b>	<b>48,394</b>	<b>10%</b>	<b>7%</b>
Discontinued operations- DWH	41,167	4,984	39,309	5,319	^	^
Intersegment (between continuing and discontinued operations)	(13,126)	-	(13,547)	-		
<b>SAMIL Consolidated</b>	<b>597,554</b>	<b>50,210</b>	<b>654,079</b>	<b>53,713</b>	<b>9%</b>	<b>7%</b>

#Revenue from contracts with customers

\*Others comprise other subsidiaries of the Company (excluding SMR, SMP & PKC segment) that are below the thresholds for separate reporting as operating segments

^ FY2021-22 revenue and EBITDA of discontinued operation is relating to nine months hence not comparable.

The details and performance of each segment are described in respective sections.

## REVIEW OF SAMIL STANDALONE PERFORMANCE & FINANCIALS

The NCLT order dated December 22, 2021, has approved the composite scheme of Amalgamation and Arrangement ("the scheme") between the Company, Motherson Sumi Wiring India limited ("MSWIL"), Samvardhana Motherson International Limited ("SAMIL") and their respective shareholders. The scheme amongst other things entails the demerger of Domestic Wiring Harness ("DWH") business from the Company into a new company viz. MSWIL and subsequent merger of SAMIL in the company to consolidate 100% shareholding in SMRP BV as well as to bring all auto component and allied business in SAMIL under the Company.

The Company's Standalone financial results and financial position given below does not include information of Domestic Wiring Harness (MSWIL), classified as discontinued operations.

### Standalone financial results (SAMIL formerly MSSL):

INR in Million

Results (continuing operations)	FY 2020-21	FY 2021-22	% Change
Total revenue from contract with customers	36,353	52,970	45.7%
Cost of goods sold	21,845	33,927	55.3%
Employee cost	5,025	6,077	20.9%
Other expenses	5,415	7,426	37.1%
EBITDA*	4,893	7,345	50.2%
Finance costs	897	1,411	57.3%
Depreciation and amortization expense	1,983	2,042	3.0%
Profit before tax from continuing operations	2,432	9,198	278.2%
PAT (concern share)	1,941	7,996	312.0%
<b>Earnings per share</b>	<b>0.61</b>	<b>2.29</b>	<b>275.4%</b>

\*Before dividend and interest income

### Standalone financial position (SAMIL formerly MSSL):

INR in Million

Financial Position	March 31, 2021	March 31, 2022	% Change
Property, plant, and equipment	14,304	11,123	-22.2%
Right-to-use assets	2,455	1,793	-27.0%
Capital work-in-progress	281	538	91.2%
Investment properties	835	4,748	468.8%
Other intangible assets	0	14	100.0%
<b>Other assets</b>			
- Inventories	5,544	6,877	24.0%
- Trade receivables	5,185	11,215	116.3%
- Cash & bank balance	2,556	6,317	147.2%
- Other assets	86,397	334,922	287.7%
Assets held for distribution	17,872	-	
<b>Total assets</b>	<b>135,429</b>	<b>377,547</b>	<b>178.8%</b>



INR in Million

Financial Position	March 31, 2021	March 31, 2022	% Change
Liabilities of continuing operations (other than loans and lease liabilities)	11,013	14,074	27.8%
Liabilities directly associated with the assets held for distribution	8,464	-	-100.0%
<b>Net assets</b>	<b>115,952</b>	<b>363,473</b>	<b>213.5%</b>
<b>Source of funding:</b>			
Net worth	65,657	307,537	368.4%
Reserve on amalgamation	1,773	1,773	0.0%
<b>Loans outstanding:</b>			
- Long-term loans payable within one year	12,010	7,489	-37.6%
- Short-term loans	1,525	750	-50.8%
- Long-term loans	34,265	45,213	32.0%
- Lease liabilities	722	711	-1.6%
<b>Total loans including lease liabilities</b>	<b>48,522</b>	<b>54,163</b>	<b>11.6%</b>
Cash & bank balance (excluding unpaid dividend)	2,500	6,248	149.9%
<b>Loans (net of cash and bank balances)</b>	<b>46,022</b>	<b>47,915</b>	<b>4.1%</b>
<b>Net Debt (excluding lease liabilities)</b>	<b>45,300</b>	<b>47,204</b>	<b>4.2%</b>

**Ratio Analysis:**

Key Ratios	FY2020-21	FY2021-22
Current Ratios (in times)	1.08	1.49
Debt- Equity Ratio (in times)	0.73	0.18
Debt Service Coverage ratio (in times)	0.65	0.70
Return on Equity ratio (in %)	8.03%	4.24%
Inventory Turnover ratio (in times)	3.05	5.46
Trade Receivable Turnover Ratio (in times)	6.32	5.66
Trade Payable Turnover Ratio (in times)	3.74	5.06
Net Capital Turnover Ratio (in times)	13.20	14.60
Net Profit ratio (in %)	6.67%	14.96%
Return on Capital Employed (in %)	24.03%	18.39%
Return on Investment (in %)	0.49%	28.70%

\* Investment and loan given is excluded from capital employed for calculation of return on capital employed since return from those assets are not considered in EBIT.

Key indicators are mentioned at the end of management Discussion and Analysis

**Standalone Cashflow Statement:**

INR in Million

Standalone Cash Flow (Including discontinuing operations till effective date of scheme of arrangement)	FY2020-21	FY2021-22
<b>Cash flow from operations</b>	<b>4,664</b>	<b>6,202</b>
Taxes paid	(1,262)	(2,519)
<b>Cash flow from operating activities</b>	<b>3,401</b>	<b>3,683</b>
Capital Expenditure (net of disposal)	(1,904)	(2,582)
Dividend received from subsidiaries & Joint ventures	0	4,549
Proceeds from sale / (payment for purchase) of investments (net)	(8,636)	-
Loan (to)/repaid by related parties (net)	(26,725)	5,500
Cash flow from other investing activities	251	1,406
<b>Cash flow from Investing activities</b>	<b>(37,014)</b>	<b>8,873</b>
Proceeds & (repayments) of borrowings	34,611	(1,817)
Dividend paid	(5)	(4,731)
Interest paid	(299)	(2,654)
Cash flow from other financing activities	(177)	(191)
<b>Cash flow from financing activities</b>	<b>34,130</b>	<b>(9,393)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	517	3,163
Net Cash and Cash equivalents at the beginning of the year	2,300	2,867
Cash and cash equivalents acquired consequent to Composite Scheme of Amalgamation and Arrangement	-	145
<b>Cash and cash equivalents as at current year closing*</b>	<b>2,817</b>	<b>6,175</b>

\*(excluding exchange difference on bank balances in foreign currency with banks)

**Samvardhana Motherson Automotive System Group B.V (SMRP BV), Netherlands (Consolidated with its Subsidiaries & Joint Venture)**

**REVIEW OF CONSOLIDATED FINANCIALS:**

Following are the summary financial for the financial year ended March 31, 2022:

EUR in Million

Income Statement of SMRP BV Group	FY2020-21	FY2021-22
Revenue from contract with customers	4,806	4,988
EBITDA (Reported)	338	342
% to Sales	7.0%	6.9%
Finance cost	50	49
Depreciation	232	227
PBT	62	82
PAT (Concern share)	32	11



## Highlights

- SMRP BV Revenues were marginally higher at EUR 4,988 million as compared to corresponding previous year EUR 4,806 million. As the revenues for the year ended March 31, 2022, were adversely impacted due to the global supply chain bottlenecks faced by the automotive industry for supply of semiconductor chips as well as other critical raw materials like wiring harness because of disruptions caused by COVID-19 and geo-political uncertainties.
- For the year FY2021-22, 56% of revenues were contributed by European region, 19% APAC region and 25% was contributed by the Americas region.
- EBITDA for the year ended March 31, 2022, was EUR 342 million or 6.9% of revenue, similar to EUR 338 million or 7.0% of revenue for the previous year ended March 31, 2021. The adverse impacts of COVID-19 and chip shortage were felt during the start of the year which led to automotive manufactures suspending production at short notice.

### Orderbook at SMRP BV:

As on March 31, 2022, the order book\* of SMRP BV was worth EUR 16.1 billion as compared to EUR 15.6 billion as on March 31, 2021, providing adequate revenue visibility. Share of Electric vehicles (EVs purely EVs programs and not electric version of multi power train vehicles) in the order book is at 27% as EV launches are front ended.

During the year ended March 31, 2022, new orders worth EUR 4.7 billion of lifetime sales were received. Orders worth EUR 4.2 billion of lifetime sales were put into commercial production and therefore taken out from order book.

### Performance of SMP:

EUR in Million

Income Statement of SMP	FY2020-21	FY2021-22
Revenue from contract with customers	3,520	3,687
EBITDA (Reported)	207	233
% to Sales	5.9%	6.3%
PBIT	37	72

- Revenues for the year ended March 31, 2022, grew by 4.7% at EUR 3,687 million as compared to EUR 3,520 million during the financial year ended March 31, 2021.
- EBITDA for year ended March 31, 2022, was EUR 233 million or 6.3% of revenue as compared to EUR 207 million or 5.9% of revenue during the financial year ended March 31, 2021.

### Performance of SMR:

EUR in Million

Income Statement of SMR	FY2020-21	FY2021-22
Revenue from contract with customers	1,286	1,301
EBITDA (Reported)	141	120
% to Sales	11.0%	9.2%
PBIT	113	86

\*Order book is lifetime sales of awarded programs which are yet to start production. Revenues are a function of execution of order book and net increase/decrease of ongoing programs

- SMR revenues were EUR 1,301 million for the year ended March 31, 2022, as compared to EUR 1,286 million during the year ended March 31, 2021, representing a 1.2% growth.
- EBITDA for the year ended March 31, 2022, was EUR 120 million or 9.2% of revenue as compared to EUR 141 million or 11.0% of revenue during the financial year ended March 31, 2021.

## PKC Group Ltd. (PKC) (Consolidated with its Subsidiaries & Associates)

### REVIEW OF CONSOLIDATED FINANCIALS:

EUR in Million

PKC Results#	FY2020-21	FY2021-22
Revenue from contract with customers	1,037	1,225
EBITDA*	67	51
Finance Costs	8	10
Depreciation and amortisation	41	45
Profit before tax	23	1
Taxes	1	8
Profit after tax	23	(7)
Minority Interests	6	(0)
PAT (concern share)	17	(7)

# As per financials prepared under Ind AS for the purpose of consolidation.

\* Before interest income and dividend income

- PKC revenues were higher at EUR 1,225 Million as compared to corresponding previous year of EUR 1,037 Million representing an 18.1% growth due to strong rebound of customer volumes in Europe and Americas, however China CV market witnessed significant drop in volume as compared to last year.
- Customers continued to show their trust to PKC and new orders were awarded at all geographies. New plants were opened in Lithuania (Klaipeda), Serbia (Pozarevac) and China (Siping) to be ready to meet the increased customer demand in coming years.
- PKC also supported customers to mitigate the supply risks arising from geopolitical disruptions by using its flexible manufacturing network and ability to support customers from the locations which were not impacted by current situation. This was well recognized by the customers and additional business was awarded to PKC.
- EBITDA for the year ended March 31, 2022, was EUR 51 million or 4.2% of revenue as compared to EUR 67 million or 6.5% of revenue during the financial year ended March 31, 2021. Entire automotive industry was adversely impacted due to rapid increase in commodity prices, component prices and inflation. Negotiations with customers were initiated to pass through unavoidable cost increases to customer prices.
- High amount of supply chain disturbances and shortage of semi-conductors led to customer production schedule changes/shutdowns at short notice which also negatively impacted profitability during the year.

## 7. Debt Position & Liquidity

The Company's comparative debt position of continuing operations for the last 2 years is as follows:

Particulars (INR in Million)	Consolidated	
	March 31, 2021	March 31, 2022
Long term debt	84,109	95,077
Long term debt due in one year	21,612	14,169
Short term debt	13,575	32,051
<b>Gross debt#</b>	<b>119,296</b>	<b>141,297</b>
Cash and Bank Balance	59,006	49,925
<b>Net debt*</b>	<b>60,290</b>	<b>91,372</b>
Includes lease liabilities	12,664	13,688
In Long term debt	9,422	10,070
In long term debt due in one year	3,242	3,618

During the Year the Company, redeemable, senior, unsecured non-convertible debentures of INR 2,500 million (Coupon 5.69%), INR 2,350 million (Coupon 5.68%) and INR 5,150 million (Coupon 6.09%) in November 2021 and December 2021 respectively.

Listed, rated, redeemable, secured non-convertible debentures amounting INR 7,000 million raised by erstwhile Samvardhana Motherson International Limited in December 2018 were transferred to the Company in relation to merger pursuant to Composite Scheme. These instruments bear interest at a rate of 9.75% payable annually and will mature on December 2, 2022.

During the year the SMRP BV entered unsecured working capital loan facility. The drawdowns under the facility are available for a period up to 3 months and can be renewed for another term at maturity. The interest rates under the facility are determined on the market conditions and mutual agreement at the time of drawdown.

## Wholly owned Subsidiaries:

Subsidiaries	Nature of business	Currency	Revenue 2020-21 in million	Revenue 2021-22 in million
<b>Subsidiaries</b>				
<b>MSSL Mideast (FZE)</b> SAMIL (formerly MSSL) Holding:100% Country: Sharjah Free Trade Zone, UAE	Manufacturing of wiring harness for supplies to leading manufacturers of material handling equipment, construction equipment, agricultural machines, garbage handling trucks etc. as well to SMR.	EUR	36	46
<b>MSSL (GB) LTD.</b> SAMIL (formerly MSSL) Holding:100% Country: New Castle, UK	Wiring harness and related modules to niche segments in UK.	GBP	40	48
<b>MSSL Wiring System</b> SAMIL (formerly MSSL) Holding: 100% Country: USA (one manufacturing facility) and Mexico (four manufacturing facilities)	MSSL Wiring System along with four fellow subsidiaries in Mexico i.e. Alphabet de Mexico, S.A. de C.V., Alphabet de Mexico de Monclova, S.A. de C.V. and Alphabet de Saltillo, S.A. de C.V., MSSL Wiring Juarez, S.A. de C.V. has five manufacturing facilities, a warehouse, an engineering and administrative center and a new design and support office. It designs and manufactures wiring harness products for sale principally to the commercial, agricultural and off-highway vehicle markets, as well as assembles entire instrument panels that are configured specifically to an OEM customer's specifications in the commercial vehicle market.	USD	202	262
<b>Motherson Electrical Wires Lanka Private Limited</b> SAMIL (formerly MSSL) Holding: 100% Country: Sri Lanka	Manufacturing wires for automotive applications. It supplies wires to different manufacturing locations of MSSL.	USD	15	19
<b>MSSL Tooling (FZE)</b> SAMIL (formerly MSSL) Holding:100% Country: UAE	Manufacturing high quality plastic moulded components, injection moulded precision tool & plastic parts. The Company has also facilities for post moulding operations and assembly. MTL supplies to Tier 1 customers and supports the polymer business in Europe. The Company serves the auto components, pharmaceuticals, construction-anchors industries.	EUR	27	32
<b>MSSL Advanced Polymers s.r.o</b> SAMIL (formerly MSSL) Holding: 100% Country: Czech Republic	Supplies products to leading European automotive Tier-I suppliers. The product range includes connecting door rods, plastic parts safety belts, connectors, sensing elements, covers, parts for pneumatic dispatch, visible parts for roof rays, plastic parts for fuel tanks etc.	EUR	17	19



Subsidiaries	Nature of business	Currency	Revenue 2020-21 in million	Revenue 2021-22 in million
<b>MSSL GmbH</b> SAMIL (formerly MSSL) Holding: 100% Country: Germany	Supplies plastic components to Tier 1 customers and also acts as the holding Company and corporate office providing support to the European entities.	EUR	25	24
<b>Motherson Techno Precision GmbH</b> SAMIL (formerly MSSL) Holding: 100% Country: Germany	Serves automobile and auto component manufacturers and tier 1 customers. The product range includes precision turned parts for fuel injection, fuel pump, emission controls, pressure sensors, air condition systems etc.	EUR	5	0.7
<b>Motherson Techno Precision México, S.A. de C.V</b> SAMIL (formerly MSSL) Holding: 100% Country: Mexico	Provides engineering, design and prototype services, mainly to wiring harnesses customers in Americas.	EUR	7	11
<b>MSSL Manufacturing Hungary Kft</b> SAMIL (formerly MSSL) Holding: 100% Country: Hungary	The company was formed in October 2016 by acquiring the land, building and machinery of Abraham es Tarsa Kft. It is in the business of plastic moulding	EUR	9	9
<b>MSSL s.r.l. Unipersonale</b> SAMIL (formerly MSSL) Holding: 100% Country: Italy	Provides engineering, design and prototype services, mainly to wiring harnesses customers in Europe. During the year MSSL GmbH sold the holding in MSSL s.r.l. Unipersonale to MSSL (GB) LTD.	EUR	0	0
<b>MSSL Global RSA Module Engineering Ltd.</b> SAMIL (formerly MSSL) Holding: 100% Country: South Africa	Manufacturing of moulded parts like bumpers, instrument panels, door trims, Interior Trims and fully robotic paint shop for painting body colour matched parts for leading OEMs.	ZAR	1,395	1,730
<b>MSSL Japan Limited</b> SAMIL (formerly MSSL) Holding: 100% Country: Japan	Supplies wiring harness for heavy commercial vehicles.	JPY	1,864	2,058
<b>MSSL México, S.A. De C.V.</b> SAMIL (formerly MSSL) Holding: 100% Country: Mexico	Supplies wiring harness within MSSL and to customers in local and USA market.	USD	20	24
<b>MSSL WH System (Thailand) Co.</b> SAMIL (formerly MSSL) Holding: 100% Country: Thailand	Manufacturing of wiring harness for leading OEMs.	THB	523	1,061

Subsidiaries	Nature of business	Currency	Revenue 2020-21 in million	Revenue 2021-22 in million
<b>MSSL Korea WH Ltd.</b> SAMIL (formerly MSSL) Holding: 100% Country: Korea	Supply wiring harness in Korea.	KRW	1,488	1,291
<b>MSSL Ireland Pvt. Ltd.</b> SAMIL (formerly MSSL) Holding: 100% Country: Ireland	Provides design services, mainly to wiring harnesses customers. It also provides logistics support services to MSSL and MSSL Mideast, enabling them to supply online to customers in Europe.	EUR	0	0
<b>Motherson Wiring System (FZE)</b> SAMIL (formerly MSSL) Holding: 100% Country: UAE	Providing building on lease at UAE to Motherson group companies and receiving rental income for the same.	EUR	0	0
<b>MSSL (S) Pte Ltd.</b> SAMIL (formerly MSSL) Holding: 100% Country: Singapore	Provides support to MSSL and its group companies mainly for international purchasing. The Company is also a holding company for the group investments in MSSL Australia Pty Ltd., MSSL Japan, MSSL México S.A. De C.V., MSSL WH System (Thailand) Co., Ltd and MSSL Korea WH Limited. During the year MSSL (S) Pte Ltd sold the holding in MSSL Ireland Pvt. Ltd to MSSL (GB) LTD.	SGD	2	2
<b>Global Environment Management (FZC)</b> SAMIL (formerly MSSL) Holding: 100% Country: UAE	Marketing its key product Aerobin in Australia. The product re-cycles household and garden wastes into beneficial compost without any use of electricity or chemicals which helps in avoiding dumping of household waste into landfill.	USD	1	1
<b>MSSL Mauritius Holdings Ltd.</b> SAMIL (formerly MSSL) Holding: 100% Country: Mauritius	The Company is holding investments in Global Environment Management (FZC), Samvardhana Motherson Global Holdings Ltd., MSSL Global RSA Module Engineering Limited and Vacuform 2000 (Pty) Limited.	EUR	12	15
<b>MATA Ireland</b> SAMIL (formerly MSSL) Holding: 100% Country: Ireland	The company has one aircraft which is used for passenger air transportation services.	EUR	3	3
<b>Motherson Consultancies Service Limited*</b> SAMIL (formerly MSSL) Holding: 100% Country: India	Company provides purchase consultancy related to consumables and indirect purchase for all SMG group companies in India.	INR		19*

Subsidiaries	Nature of business	Currency	Revenue 2020-21 in million	Revenue 2021-22 in million
<b>Samvardhana Motherson Finance Service Cyprus Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: Cyprus	Company act as a holding company	INR		0*
<b>Samvardhana Motherson Holding (M) Private Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: Mauritius	Company act as a holding company	INR		2*
<b>Samvardhana Motherson Auto Component Private Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: India	Company specializes in aluminum die casting and machining with technology from Reterra Inc., Japan. The company has state-of-the-art equipment with robotic die casting, heat treatment, shot blasting, precision machining, inspection, testing and heat treatment facilities.	INR		188*
<b>MS Global India Automotive Private Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: India	<b>MS Global India</b> is a world class sheet metal component manufacturer for Passenger cars and commercial vehicles.	INR		1,461*
<b>Samvardhana Motherson Maadhyam International Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: India	Company is engaged in the business of providing services in the field of Advertising, Marketing, Poster Printing, Display of Hoardings, Mass Media and Communications.	INR		0*
<b>Samvardhana Motherson Global Carriers Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: India	Main object of the company is to provide logistic services by all means of transportation by land, sea, rail, inland waterways, air and multi model transport etc. including services for management of warehouses & logistics and other related services	INR		185*
<b>Samvardhana Motherson Innovative Solutions Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: India	Company has two operating units Motherson Advanced Tooling Solutions (MATS) is specializing in design & manufacturing of broaches, gauges & gear cutting tools. Motherson Sintermetal Technology (MST) produces powder-metal sintered parts for the automotive industry supplies.	INR		251*

Subsidiaries	Nature of business	Currency	Revenue 2020-21 in million	Revenue 2021-22 in million
<b>Samvardhana Motherson Refrigeration Product Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: India	The company engaged in marketing, selling, exports, service, manufacturing and assembling of refrigeration units of automobiles and stationary application, home composting, on-site household & garden waste management systems	INR		0*
<b>Motherson Machinery and Automations Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: India	It is an industrial trading company with focus on machine tools and hydraulic products. MMAL caters to the demands of the Indian Engineering Industry in the areas of machine tools, industrial products and low-cost automation solutions.	INR		11*
<b>Samvardhana Motherson Auto System Private Limited*</b> SAMIL (formerly MSSSL) Holding: 100% Country: India	Company is engaged in the business of distributing and selling automotive and non automotive products through its widespread network of distributors across India and exports.	INR		82*
<b>Motherson Sintermetal Technology B.V.*</b> SAMIL (formerly MSSSL) Holding: 100% Country: India	Company is acting as a holding company	INR		0*
<b>Motherson Invenzen XLab Private Limited*</b> SAMIL Holding: 100% Country: India	Company is a leading provider of Telematics, IoT & Other electronics hardware and other related Cloud based services and Applications. It provides solution catering to OEMs, B2Bs and retail segments. Company designs and manufactures a comprehensive range of products including Connected Car Infotainment systems, customized telematics units (TCU, SOS and OBD devices for OE-Fit & Aftermarket segments) and Industrial IoT equipment.	INR		33*

\* Became subsidiary of the group w.e.f. January 21, 2022 pursuant to the Composite Scheme of Amalgamation and Arrangement ("Scheme") and the financial of the entity are consolidated from the effective date. Revenue relates to post acquisition period as considered in consolidated financial statements.

\* Amounts are below the rounding off norm adopted by the Company.

Other detail about subsidiaries is explained in "Consolidated financials" section, which forms part of this report.



**Other than wholly owned subsidiaries:**

The Company has following joint venture subsidiaries which are consolidated:

Subsidiaries	Nature of business	Currency	Revenue 2020-21 in million	Revenue 2021-22 in million
<b>MSSL Australia Pty. Ltd.</b> SAMIL (formerly MSSL) Holding: 80% Country: Australia	The Company is a holding company and corporate office providing support to the Australian entities. During the year MSSL (S) Pte Ltd. sold the holding in MSSL Australia Pty. Ltd. to MSSL Mauritius Holdings Ltd.	AUD	3	3
<b>MSSL Investment Pty. Ltd.</b> SAMIL (formerly MSSL) Holding: 80% Country: Australia	Providing land and building on lease at Bendigo to its fellow subsidiary Motherson Elastomers Pty Ltd.	AUD	1	1
<b>Motherson Elastomer Pty Ltd</b> SAMIL (formerly MSSL) Holding: 80% Country: Australia	Manufactures orbitread tyre compounds, conveyor belting rubber compounds, automotive component rubber compounds, weather strips, glass runs, boot and hood seals, tank straps, rubber flares, bonded components, suspension bushes, engine and transmission mounts, bump stops, large engine gaskets, silent blocs, industrial mountings and couplings, auto and truck suspension components. MEPL caters to the automotive, mining, tyre retreaders, construction, defense and rail industries.	AUD	49	42
<b>Vacuform 2000 (Pty) Limited</b> SAMIL (formerly MSSL) Holding: 51% Country: South Africa	Manufacturing of Vacuum-forming, thermo-formed products, polyurethane moulded products and blow moulded products majorly for automotive industry. The Company supplies components to all the leading automotive OEMs present in the region.	ZAR	106	135
<b>Motherson Technology Services Limited* (formerly known as MothersonSumi Infotech &amp; Designs Limited)</b> (including step down subsidiaries) SAMIL (formerly MSSL) Holding: 62.9% Country: India, subsidiaries are in India, USA, Germany, Singapore, Japan, UAE, UK, Spain	MIND is an IT services company, is a joint venture with Motherson Group and Sumitomo Wiring Systems (Japan). The Information Technology division provides end-to-end solutions to clients. MIND acts as an IT partner for its customers and specializes in seamlessly aligning Information Technology with business needs. The company's industry-wide experience, technology expertise, domain knowledge and innovative approach delivers business value and helps clients gain a substantial competitive advantage and quick returns on investments.	INR		1,555*

Subsidiaries	Nature of business	Currency	Revenue 2020-21 in million	Revenue 2021-22 in million
<b>SAKS Ancillaries Limited*</b> SAMIL (formerly MSSL) Holding: 98.3% Country: India	Company has some investments and loans provided to Group companies	INR		6*
<b>Samvardhana Motherson Hamakyoorex Engineered Logistics Limited*</b> SAMIL (formerly MSSL) Holding: 50% Country: India	Company Provides logistics services to OEM for the new manufactured cars supplies by them to their dealers. SAMRX provides the services of carrying the cars from the OEM plants to the location of dealership across India in a specific carrier	INR		57*
<b>Motherson Techno Tools Limited*</b> (including subsidiary in UAE) SAMIL (formerly MSSL) Holding: 60% Country: India	Motherson Techno Tools Limited is manufacturing performance cutting tools like coated carbide inserts & drills; coated CBN inserts; PCD inserts, tools & reamers.	INR		514*
<b>Motherson Molds and Diecasting Limited*</b> SAMIL (formerly MSSL) Holding: 71% Country: India	Company manufactures plastic injection moulds, blow moulds and checking fixtures. The company has state-of-the-art tooling facility to meet the requirement of its customers.	INR		10*
<b>Motherson Air Travel Agencies Limited*</b> SAMIL (formerly MSSL) Holding: 74% Country: India	Company provided hospitality and travelling services to the group companies	INR		62*
<b>CTM India Limited*</b> SAMIL (formerly MSSL) Holding: 41% Country: India	CTMIL caters to medium to large sized tooling requirements of automobile manufacturers and white goods manufacturers. Company as a one stop shop for customers in mould manufacturing industry by providing services of mold flow, mould design, mould manufacturing, prove out and supply of small quantities of parts.	INR		334*

\* Became subsidiary of the group w.e.f. December 22, 2021 pursuant to the Composite Scheme of Amalgamation and Arrangement ("Scheme") and the financial of the entity are consolidated from the effective date. Revenue relates to post acquisition period as considered in consolidated financial statements.

List of Subsidiary consolidated into SMRP BV	SAMIL (formerly MSSL) Holding 2021-22	Country	Name of JV Partner/ Minority shareholder	Currency	Revenue in million	
					2020-21	2021-22
Re-Time Pty Limited	71.40% from August 08, 2019. Prior to that the Group had 28.6% share holding	Australia	Scientists	AUD	0.3	0.4
Motherhood Ossia Innovations LLC	51%	USA	Ossia Inc.	USD	0.1	0
Changchun Peguform Automotive Plastics Technology Ltd (CPAT) (including step down subsidiaries)	50%	China	Changchun Automotive Trim Co. Ltd (CAIP)	CNY	2,967	2,626
Celulosa Fabril (Cefa) S.A. (includes Modulos Rivera Alta S.L.U.)	50%	Spain	Blanchard Family	EUR	116	80
Yujin SMRC Automotive Techno Corporation	50.9%	S. Korea	Yujin	KRW	98,156	107,881

List of Subsidiary consolidated into PKC	Nature of Business	SAMIL (formerly MSSL) Holding 2020-21	Country	Name of JV Partner	Currency	Revenue in million	
						2020-21	2021-22
Jiangsu Huakai-PKC Wire Harness Co., Ltd.	Design, develop and manufacturing of Wiring Harness including components for automobile industry	50%	China	Jiangsu Huakai Wire Harness Co., Ltd	CNY	1,018	712
PKC Vehicle Technology (Hefei) Co, Ltd.	Design, develop and manufacturing of Wiring Harness including components for automobile industry	50%	China	Hefei Jianghuai Automobile Co., Ltd.	CNY	637	545
Shangdong Huakai-PKC Wire Harness Co., Ltd.	Design, develop and manufacturing of Wiring Harness including components for automobile industry	50%	China	Jiangsu Huakai Wire Harness Co., Ltd	CNY	402	289
PKC Vehicle Technology (Fuyang) Co. Ltd.	Design, develop and manufacturing of Wiring Harness including components for automobile industry	50%	China	Hefei Jianghuai Automobile Co., Ltd.	CNY	6	58

During the financial year ended March 31, 2022, impact of minority interests for these entities, including 49% shares in SMRP BV, held by erstwhile Samvardhana Motherhood International Limited till effective date of the Composite Scheme of Arrangement and Amalgamation is Rs. 3,077 million as compared to Rs. 5,302 million during the financial year ended March 31, 2021.

#### Joint Ventures Consolidated by Company:

The Company has following joint ventures which are accounted using equity method:

Joint Ventures	Nature of business	SAMIL (formerly MSSL) Holding 2021-22	Country	Joint Venture Partner	Currency	Revenue in million	
						2020-21	2021-22
Kyungshin Industrial Motherhood Ltd.	Wiring harness for Hyundai Motor India Ltd. And Kia Motors India.	50%	India	Kyungshin Corporation (KIC), South Korea	INR	14,550	14,572
Calsonic Kansei Motherhood Auto Products Ltd.	Manufacture of climate- control systems including HVAC modules, compressors, body control modules and meters clusters for the automotive industry.	49%	India	Calsonic Kansei, Japan	INR	4,659	5,784
Motherhood Sumi Wiring India Limited*	Design, develop and manufacturing of Wiring Harness including components for automobile industry	33.43%	India	Sumitomo Wiring Systems, Japan	INR	16,615*	
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR) Includes Chongqing SMR Huaxiang Automotive Products Limited & Tianjin SMR Huaxiang Automotive Parts Co Limited) China	Manufacture of automotive mirrors, filler caps, exterior door handles.	50%	China	Between Ningbo Huaxiang Electronic Co., Ltd, and SMR Automotive Mirror Systems Holding Deutschland GmbH	CNY	1,783	1,822
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Supplier of high-quality leather interior equipment. It is one of the world's leading manufacturers of high-quality control panels, trim panels and complete vehicle interiors, and works with almost all major automotive manufacturers.	49%	Germany	Eissmann Automotive Slovensko s.r.o.	EUR	43	51
Hubei Zhengao PKC Automotive Wiring Company Ltd.	Manufacturing and supply of wiring harness	40%	China	Hubei Zhengao Auto Accessories Group Co., Ltd.	CNY	777	527



Joint Ventures	Nature of business	SAMIL (formerly MSSL) Holding 2021-22	Country	Joint Venture Partner	Currency	Revenue in million	
						2020-21	2021-22
Anest Iwata Motherson Coating Equipment Private Limited*	Company is engaged in supply of paint coating equipment	49%	India	Anest Iwata Corporation, Japan	INR		95*
Anest Iwata Motherson Private Limited*	Company is engaged in manufacturing of air compressors  Company is specialist in heavy duty industrial Air Compressors, with a pan India installation base.	49%	India	Anest Iwata Corporation, Japan	INR		351*
Marelli Motherson Automotive Lighting India Private Ltd.*	The company is into automotive lighting products, integrated plastic air intake manifold assembly and pedal box module.  MMM has in-house design capability for the above products along with the manufacturing capabilities including plastic injection molding, surface coating, metalizing, welding, testing & assembly and in house photometry lab etc.	50%	India	Marelli Europe SPA	INR		3,571*
Marelli Motherson Auto Suspension Parts Pvt Ltd*	The product range of the company includes strut & strut assemblies, shock absorbers, gas springs and steering dampers.  The company provides technological solutions such as full displacement valve, the frequency dependent dual stage and the digressive curve valving, aimed at reaching high level performances in terms of comfort and NVH (Noise, Vibration and Harshness).	50%	India	Marelli Europe SPA	INR		495*

Joint Ventures	Nature of business	SAMIL (formerly MSSL) Holding 2021-22	Country	Joint Venture Partner	Currency	Revenue in million	
						2020-21	2021-22
Valeo Motherson Thermal Commercial Vehicles India Limited*	Company provides complete solutions for bus air-conditioning for all models of commercial vehicles and has a vast service network.	49%	India	Valeo Thermal Commercial Vehicles Germany GmbH, Germany	INR		233*
Matsui Technologies India Limited*	Matsui Technologies India Ltd undertakes marketing, installation and servicing of Matsui products in India, SAARC region and Middle East.	50% - 1share	India	Matsui Manufacturing Co. Ltd, Japan	INR		172*
Frigel Intelligent Cooling Systems India Private Limited*	Frigel Intelligent Cooling Systems India Ltd. undertakes manufacturing, marketing, installation and servicing of Frigel products in India and SAARC region.	25%	India	Frigel Firenze SPA, Italy	INR		38*
Fritzmeier Motherson Cabin Engineering Private Limited*	Company manufacturing cabins for off-highway vehicles	50%	India	F Holding GmbH	INR		342*
Nissin Advanced Coating Indo Co. Private Limited*	Company is engaged in providing Advanced Thin Film Coating Services to its customers.	49%	India	Nissin Electric Co. Ltd, Japan	INR		54*
Motherson Bergstrom HVAC Solutions Private Limited*	The joint venture integrates the best of Bergstrom's product development, manufacturing capability and industry expertise with Motherson's customer service, supplier base development and knowledge of operating in the Indian markets.	50%	India	Bergstrom Inc, USA	INR		165*
Motherson Auto Solutions Limited*	Company is in the business of Developing, Operating & maintaining of Industrial Park	66%	India	Sojitz Corporation, Japan	INR		8*

Joint Ventures	Nature of business	SAMIL (formerly MSSL) Holding 2021-22	Country	Joint Venture Partner	Currency	Revenue in million	
						2020-21	2021-22
Youngshin Motherson Auto Tech Limited*	Company manufacturers the complete range of assemblies to cater to the requirements of compressor manufacturers in India.	50%	India	Youngshin Components Co. Ltd, South Korea	INR		108*
AES (India) Engineering Limited*	The Company provides Engineering, Consultation, Project Management, Turnkey Supply and Other related services to Automotive and Non-Automotive Industries.	26%	India	T-Net Japan Company Limited, Japan	INR		65*

\* Became joint venture of the group w.e.f. January 21, 2022 pursuant to the Composite Scheme of Amalgamation and Arrangement ("Scheme") and the financial of the entity are consolidated from the effective date. Revenue relates to post acquisition period as considered in consolidated financial statements.

The Company's share in net profit of associates and joint ventures is INR 160 million in FY 2021-22 as compared to INR 849 million in FY 2020-21

## 8. Risk Management

While the world and businesses are recovering from the impact of the COVID-19 pandemic of the last two years, new external and internal risks continue to challenge businesses in every possible way amplifying existing risks. Not only are the nature of risks evolving, but the speed of risk is increasing with faster time to impact. Geo-political situations like the Russia Ukraine war have further forced global businesses to revisit their operations, delivery, supply chains and contractual aspects. Operating in an uncertain and ever-changing environment, Motherson's global operations bring in considerable complexities and robust enterprise risk management framework aids in ensuring the strategic objectives are achieved. This framework enables risk identification, risk assessment, risk response planning and actions, risk monitoring and overall risk governance. Key Risk Indicators are used to identify and assess risks. The digital platform for integrated risk management provides an enterprise-wide view of risks covering strategic, operational, compliance, financial and catastrophic risks, providing a holistic approach towards informed decision making. Risks are assessed and managed at various levels with a top-down and bottom-up approach covering the enterprise,

the business units, the geographies, the functions, the customer relationships and projects.

The Company has a global presence and decentralised management structure. At the macro level, the Company is exposed to risks associated with global organisations and the automotive industry in particular. Mitigating risks from all directions is one of the challenges that the Company targets. Risks are an integral part of business growth, but not all risks are created equal. Management and mitigation efforts must be calibrated according to the likelihood of exposure and the potential downside of an incident. The Company is exposed to various risks within each of its business segments and products. The first step for risk management is in creating an effective risk-management system is to understand the qualitative distinctions among the types of risks that organisations face. The Company has set up a Risk Management Committee (RMC) at the Board level to periodically review operating, financial, regulatory, and strategic risks in the business and their mitigating factors.

RMC has formulated Risk Management Policy for the Company which was approved by the Board. RMC

considers a holistic understanding of the risks that can potentially impact the operations, as well as takes actions on how to effectively mitigate those risks to protect their assets and to keep operations running smoothly. The policy formulated outlines the risk management framework to help minimise the impact of uncertainty on the Company's strategic goals. The framework enables a structured and disciplined approach to risk management. The guidelines developed cover risk controlling and the use of financial instruments. These guidelines contain a clear allocation of duties. Risks are controlled and monitored by means of operational and financial measures.

The company follows a robust process of risk management by following 3 step approach

1. Step 1: Risk Identification (which includes education on the identification of risk, probability evaluation as to likelihood and finally consequence evaluation as to the impact/financial losses to determine the size of risk),
2. Step 2: Risk Evaluation and
3. Step 3: Action to mitigate or eliminate the risk with a monitoring mechanism in place.

In addition to RMC meetings, during the regular management meetings at all management levels, opportunities, risks and optimisation measures are reviewed in detail. Any exceptional situations having potential risks are identified and treated at the early stage to minimise their impact on financial and income positions.

Based on analysis and evaluation, RMC assesses various risks in the following categories:

### 1. Operating Risks:

The Operating Risks can be categorized in two categories, i.e., Operating Risks arising out of Internal Factors which are generated by the Company and by processes/operations such as planning for sourcing and supplies including change in raw material prices, interruption in raw material delivery, dependency on single customer, quality & product liability, managing manufacturing capacities, internal control processes, effective training of employees etc. and Operating Risks arising out of External Factors which are outside the sphere of influence of the Company such as future growth industry trends & preferences, social, political & economic risks, environmental risks, reputation risk, act of God, natural factors (like COVID-19) etc.

Motherson has now vision of 3CX10 for Vision 2025, which means that no customer, no component and no

country should be more than 10% of overall business pie. Further, as part of Vision 2025, Motherson aims to achieve new segments contributing to 25% of revenues of US \$ 36 billion target.

### 2. Financial & Accounting Risks:

This includes risks in terms of capital structure, forex risks such as currency risks, interest risks etc. and financial obligations including liquidity, financial and other obligations under financing arrangements etc. As part of the overall strategy, the company has facilities across globe, close to the customer, minimising the currency risks (other than translation). The company has expanded the investors' base in 21-22 by doing 3 series of Bonds issuance in Indian Bonds market.

### 3. Regulatory Risks:

This includes risks with respect to multiple jurisdiction laws and regulations, intellectual property, patents etc. As a global organization, Motherson has to comply with a complex regulatory landscape across multiple jurisdictions, covering areas such as Employment and Labour, Taxation, Foreign Exchange and Export Control, Sanctions restrictions, Environment, Health and Safety, Anti-Bribery and Anti-Corruption, Data Privacy and so on. The laws and regulations are continuously evolving, increasing in number and complexity. This has resulted in greater compliance risk and cost of compliance for the Company. As a mitigation tool, Motherson has also formulated Code of Conduct for best ethical practices and other best practices as part of Global Policies applicable to all associates of the Motherson Group on uniform basis. The Company conducts training(s) and an annual affirmation programme for its associates through a specialized developed digital platform.

For the management of Regulatory Risk, Motherson has legal experts appointed in various jurisdictions who support and provide guidance to compliance officers in various plants and other locations. Over recent years, Motherson has added Group general Counsel and strengthened Regional Chairman Offices (RCOs), inter-alia, to mitigate the risks from regulatory perspective also.

### 4. Strategic Risks:

This includes risks with respect to new business opportunities, M & A actions etc. Motherson's acquisition strategy is customers driven and has strong team to evaluate and strategise the acquisition.



5. IT and Information Security Risks:

Increase in Digital transformations, velocity of cyber-attacks, and sophistication in attack techniques are bringing greater focus on robust information security management system. The company has designed its information security management system based on internationally recognised standards such as ISO 27001, and best practices from NIST, TISAX, etc; and is continually improving its cyber security posture to safeguard from the emerging cyber threats to its business. Such efforts are augmented by independent assessments across technology layers to determine tactical and procedural vulnerabilities to follow a timely remediation cycle. The focus remains on supporting the confidentiality, integrity and availability of business data, and information processing facilities for the uptime of business activities. These momentous cyber risk management efforts are further augmented by embedding global security governance roles in the centralised Global IT function (that includes cyber security) that collaborates with various stakeholders on periodic basis to drive inclusive cybersecurity improvements. In the pursuit to remain a step ahead of adversaries, the company is effectively making use of innovative and new age technology solutions to proactively detect and prevent from sophisticated cyber threats in all relevant facets of technology ecosystem – with the ability to seamlessly adapt and respond to the evolving threat landscape.

6. Environment, Sustainability & Governance (ESG):

As a result of changing weather and seasonal patterns, there are increasing cases of seasonal diseases, epidemics and pandemics besides threat to human safety and business disruption. With globally distributed operations, the company faces physical risks to life and property due to extreme weather events; transition risks resulting from disruptions in the market and emerging regulations; disruptions to operations due to water scarcity, e-waste and solid waste regulations. To emphasize the fundamental principles shaping the responsibility of Motherson with regard to Climate Change, the Board of Directors of the Company on August 26, 2021 inter-alia, adopted a Climate Change Policy which is available on the website of the Company.

Further, various identified risks are further categorised on the scale and likelihood of occurrence in following categories:

- (a) Extreme: This *inter-alia* includes risks associated with international long-term negative rating impact,

significant prosecution and fines, litigation including class actions, significant injuries or fatalities to employees or third parties, such as customers or vendors etc.

- (b) Moderate: This *inter-alia* includes risks associated with national short-term negative rating impact, report of breach to regulator with immediate correction to be implemented, widespread staff morale problems and high turnover etc.
- (c) Minor: This *inter-alia* includes risks associated with reputational damage, reportable incident to regulator, general staff morale problems and increase in turnover etc.

The management also defines the probability and financial criteria of expected financial losses for each of the above categories which are revisited and revised considering the guidance of RMC.

### 9. Internal Control Systems

As the Company has a large global footprint and presence in 41 countries, having strong and robust internal control processes is of utmost importance. The Company invests sizeable resources to ensure that the Company has a well embedded system of internal control processes which are in line with the best practices. Further, the Company has documented policies and procedures covering all financial and operating functions.

The Company has an adequate system of internal control commensurate to its size and the nature of its operations. The internal control system & process are designed to ensure:

- (a) Transactions recorded are accurate, complete, authorised and are in adherence to Accounting Standards;
- (b) Compliance to applicable statutes, corporate policies and procedures.
- (c) Maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations.
- (d) Effective usage of resources and safeguarding of assets and ensuring its authorized use.

For implementation of the internal control system, the Company has a well-established, independent, multi-disciplinary Internal Audit team, which operates in line with governance best practices. The Internal Audit function collaborates with independent internal auditors to periodically review compliance with respect to the established design of the internal control and assess the effectiveness as well as the efficiency of operations.

The Company also undergoes periodic audit by specialized third party consultants and professionals for business specific compliances such as quality management, service management, information security etc.

The significant audit findings are reviewed at regular intervals by the Audit Committee of the Board of Directors, comprising majority independent directors (including independent director as Chairman). Further, the Audit Committee also monitors the status of management actions emanating from the internal audit reviews.

Processes in the Internal Audit function have been continuously strengthened for enhanced effectiveness and productivity including the deployment of best-in class tools for analytics in the Audit domain which has further enhanced the depth, coverage, and sharpness of the internal audits. The Company is using the latest IT tools such as data analytics to enhance the scope and effectiveness of the internal audit function. Adherence to the statutory compliances at each of the locations is also ensured by the Committee through a continuous monitoring mechanism. The Company has also identified various business risks and laid down necessary procedures for mitigation of the same.

The statutory auditors of the Company have audited the financial statements included in this Annual Report and have issued an attestation report on the Company's internal control over financial reporting (as defined in section 143 of the Companies Act, 2013).

Management has assessed the effectiveness of the Company's internal control over financial reporting (as defined in Regulation 17 of SEBI Regulations 2015 applicable on Indian entities) as on March 31, 2022.

### 10. Human Resource

Motherson is a people's company, and we put our people first. The Company is driven by highly motivated employees spread across the world in 41 countries. We are a family with multicultural and multilingual backgrounds. Motherson is a truly global organization that recognizes the capabilities, contributions, potential, and value of its human capital.

Motherson is committed to contributing to and respecting internationally recognized human rights. Preventing violations of human rights forms an integral part of Motherson's values. Human rights are universal. Inherent dignity and equality for all is the foundation of freedom, justice and peace all around the world. Motherson subscribes to the principle that every human being has the right to be treated with dignity, fairness and respect. Motherson upholds the dignity, fundamental freedoms

and human rights of its employees, contractors and the communities in which they live and work. Motherson respects human rights and cares about its role as a good corporate citizen for the human rights of each individual. Motherson as business enterprises will comply with all applicable laws with full respect to human rights.

With respect to above, the Human Rights Principles adopted by the Board of Directors on August 10, 2021 is available on the website of the Company at <https://www.motherson.com/storage/Group-Policies/Human-Rights-Principles-Statement.pdf>

Company globally employed approximately 150,000 and 155,000 employees as of March 31, 2021, and March 31, 2022, respectively

### Diversity & Inclusion

Diversity in the workplace includes inherent culture, ethnicity, race, gender, nationality, age, religion, disability, education, opinions, and beliefs.

The Board of Directors of the Company on August 10, 2021, inter-alia, approved and adopted, the 'Inclusion and Diversity Policy' The Policy' outlines Company's approach and commitment to Inclusion and Diversity, which is aligned with Motherson's strategy and beliefs. The Inclusion and Diversity Policy sets out the objective to drive better business outcomes and an improved people experience through shared accountability for Inclusion and Diversity.

Motherson is committed to contributing to and respecting internationally recognized human rights. Preventing violations of human rights forms an integral part of Motherson's values. The Board of Directors of the Company on August 10, 2021, inter-alia, approved and adopted 'Human Rights Principles'. Inherent dignity and equality for all is the foundation of freedom, justice, and peace all around the world. Motherson respects human rights and cares about its role as a good corporate citizen for the human rights of each individual. Motherson as a business enterprise will comply with all applicable laws with full respect to human rights.

The Policy approved and adopted by the Board is available on the Company's website at <https://www.motherson.com/storage/Group-Policies/Inclusion-and-Diversity-Policy.pdf>

Our diversity is our strength. By acknowledging and valuing these differences we emerge as a stronger and better organization. At Motherson, we believe that the core of our success lies in the collaborations with our different stakeholders, which are relationships based on trust and respect for each other.

Motherson is committed to providing a safe, flexible and respectful environment for its staff and clients free from all forms of discrimination, intimidation, exploitation, and harassment. The group sets a standard of 'zero tolerance' for any kind of discrimination at work. Each person representing the Company is responsible for ensuring that all actions or behaviour that are, or could be, viewed as discriminatory are avoided.

By helping and supporting one another, we foster a real sense of togetherness. We celebrate the uniqueness of each of our employees but we are 'One Motherson' with a single vision: to be a globally preferred solutions provider for our customers.

### **Employee Well-being**

People's safety and well-being are the utmost priority of the organization. Our objective is always to identify and adopt the best practices of every region in our work culture. The Human Resource function of Motherson leads from the front and leaves no stone unturned to make a positive difference in the lives of its employees.

Employee communication and engagement remained at the heart of our approach and are facilitated by technology. To foster a more connected organization, the company has been using various media to stay connected with the workforce, providing emotional support.

We faced unprecedented circumstances due to the COVID-19 pandemic. With its culture of adaptability, resilience, and ingenuity, Motherson has responded effectively to the challenges of the pandemic. Initiatives included an emphasis on cleaning, sanitization, and personal hygiene; staggered staff entry; minimizing unnecessary movement within company premises; and limiting physical meetings, events and training activities, which were conducted online instead. The Company focused on sensitizing its workforce on proper COVID safety precautions. Internal Communication was significantly undertaken to keep reinforcing the importance of following the COVID safety protocols.

Working from home was not a common concept in the manufacturing setup. However, in view of the pandemic, the Company adapted to ensure the well-being of employees while maintaining business continuity. Employees who could work remotely have been provided with the infrastructure necessary for smooth and agile collaboration internally within a team as well as between teams. Teams have now adjusted to "working from anywhere", and in some cases meet daily virtually without travel costs or loss of travel time.

### **Learning and Development**

At Motherson, our success stems from the success of our people. We aim to help each employee reach their fullest potential, and thus employee development strategy is aimed at creating a dynamic talent pipeline, capable of supporting the organization to meet evolving business challenges in the long run.

We educate our employees through regular training which helps them acquire new skills, increase their productivity, climb the corporate ladder and take up bigger responsibilities and above all keep them motivated and aligned to organizational goals.

A step forward in this direction has been the development of a web-based e-learning platform that has also been developed and deployed across the organization. This digital model of learning has ensured the collaboration of a larger audience while being seated and learning from anywhere.

Leadership development is important for every organization, and at Motherson we initiated a pilot programme for our leaders. The program aims to familiarise future leaders of the group with the Motherson philosophy and to acquaint them with all main areas of expertise within the group. The first pilot included participants from across several continents who participated in an 18-month training and practical programme in which emphasis was placed on enhancing their knowledge of the various aspects of the business and building their leadership skills. Now the same program is being emulated regionally across the group.

We closely monitor the skill matrix of all our people and ensure their personal goals are mapped with their professional grooming to help them live fulfilled professional lives and better enhance their tenure at the company.

Quality Circles are another vital employee development activity where employees come together as a team and work towards solving work-related problems. They are encouraged to present their innovative project ideas and methods of implementation to the larger team.

We have been successfully involving and evolving employees in this movement for the past two decades. This is a great way to develop a solution-oriented approach in our employees and teach them different problem-solving techniques.

As of December 31st, 2021, there are 1451 Quality Circles actively operating within the Motherson Group. 3497 quality projects have been completed by the Quality Circles, in the year that has gone by.

### **Opportunity to grow**

The organization believes in providing Equal Growth Opportunities to all those who have the ability and willingness to perform. Meritocracy is the only criteria to rise in rank. All employees have documented key result areas for performance, which are set based on work profile and business requirements through discussion with respective reporting managers. The annual performance appraisal cycle helps to set the expectation via defined targets and objectives along with stating the development needs of the employees. Constant focus on improving over past performance is what is driving the growth in the organization.

The Company is committed to the growth and development of its employees to strengthen their functional, managerial, and leadership capabilities. We have a focused approach with the objective of addressing all capability gaps and preparing our employees to adapt to the fast-changing external environment to meet the Company's strategic objective.

The organization follows the mantra of BY-BY (By Yourself, Better Yourself), which says "Be your own benchmark, set it high, and constantly beat it. Even a small improvement every day will take you to whole new levels". Continual improvement in all areas is our way of life.

### **Open Door Communication to Create Trust & Transparency**

We harbour a culture of trust and transparency by following an Open-Door Policy. We have various policies that work towards open communication and transparency like 'WE-Listen', 'Whistle-Blower', and 'Make a difference' named differently in different companies but all with the common objective of having an all-encompassing platform for both management and employees that extends to the realms of establishing a system of fair practices and guiding principles for everyone to abide by.

The organization has several ways to engage with employees. Interaction sessions, communication meetings, work councils, and various forums are interactive engagement channel that enables two-way communication with employees. Various Cross-Functional Teams (CFT) are in place to collectively brainstorm on practices and improve the process and policies based on the suggestions received. To address any grievance of its workmen, including the temporary workforce, the Company has a well-structured grievance redressal mechanism.

Technology has reshaped the way we think, live, and connect. Digital engagement tools have been designed

and developed for employees' convenience. This group intranet is a connecting highway that facilitates mutual support to move ahead together, encourages collaboration, increases efficiency, and enables the exchange of ideas, and information.

An employee engagement survey is also conducted to gauge the satisfaction levels among the workforce. Based on employee feedback, initiatives have been taken for strengthening communication and workplace improvements.

In short, employee-centric policies and communication forums ensure a safe and secure working environment for all employees.

### **Health & Safety**

The organization regards health and safety as a high priority and a fundamental value to be upheld at all times by all persons. Inspired by the organization's philosophy of 'Safety First', strong processes and systems are in place to minimize risks and ensure the safety and well-being of the workforce. All employees, right from the shop floor up to the top management, are trained to execute their work safely and responsibly.

Further, the best safety measures by the companies/units are recognized by awards, and such measures are shared on the intranet electronically amongst all the companies/units.

Safety committees with representation from the management and associates are formulated which ensures that safety is everybody's responsibility. Scheduled Safety Walk-Throughs, Regular Risk assessments, Corrective actions Implementations, and Leadership Commitments instill a safety culture in the organization. Every employee is made aware of raising the flag in case any unsafe act or situation is noticed. Our efforts to minimize the near-misses ensure that we all work safely and responsibly to have zero accidents and zero work-related fatalities.

### **Environmental Responsibility**

Motherson Environment Stewardship conveys organisations efforts to minimize the environmental footprint. Motherson complies with regulations, advocates for progressive environmental policies, and protects workers' safety as part of its corporate responsibility. The Company recognises its corporate responsibility to carry out its operations whilst minimising the impact on the environment. It also aims to comply with all applicable environmental legislation to prevent pollution and to minimise environmental damage occurring as a result of its activities. Across the Motherson Group, alongside IATF16949 accreditation, the organisation is duly certified



with ISO14001:2015 accreditation across the business focusing on environmental aspects.

We are carefully monitoring all aspects of the environmental footprint of our operations and our products. From the choice of materials and product design to management of our supplier base, from energy use and waste handling to product delivery, there are great sustainability initiatives taking place across the group. The organisation is progressively increasing the share of solar power and wind power in its energy consumption and is graduating to energy-efficient lighting with the adoption of LED lights across its facilities.

The United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Climate agreement provide the framework of a collective commitment to minimize the effects of global warming. The Paris Agreement acknowledges the urgent need to scale up global response to climate change. This requires international business across all industries to play their part in addressing the challenge. We at Motherson are committed in contributing to passing on to our next generation a clean environment and making every effort in preserving earth's future by adopting environment friendly technologies, business practices and innovation which lead to a clean and green future. For Motherson and our stakeholders this is an issue of very high

material importance where we have the ambition to make a positive contribution. In this respect, Motherson is actively working on following Principles to minimize the environmental impact of its current operations and supply chain, focusing on the following areas:

- (a) Minimise and wherever possible eliminate the emission of greenhouse gases.
- (b) Improve energy efficiency in all areas and maximise access to sources of renewable energy.
- (c) Improve water utilisation efficiency and harvesting.
- (d) Minimise and wherever possible eliminate waste focusing on the increased application of recycling solutions.
- (e) Focus on climate positive actions and maximising economic circularity.
- (f) Adapt and maintain compliance to evolving regional and country specific environmental goals.

Further, to emphasize the fundamental principles shaping the responsibility of Motherson with regard to Climate Change, the Board of Directors of the Company on August 26, 2021 inter-alia, adopted a Climate Change Policy which is available on the website of the Company at <https://www.motherson.com/storage/Group-Policies/Climate-Change-Policy.pdf>

### Calculation of Key Indicators (Ratio Analysis)

EBITDA	Profit before exceptional items, share of net profit of investments accounted for using equity method and tax + Finance costs + Depreciation and amortization expense - interest income - dividend income
PBT	Profit before exceptional items, share of net profit of investments accounted for using equity method and tax
Trade Receivable Turnover	Revenue from contract with customers Average trade receivables
Trade Payable Turnover Ratio	Purchase of goods Average trade payable
Inventory Turnover	Cost of goods sold Average inventories
Debt service Coverage Ratio	(Earnings before interest, depreciation, dividend income, interest income, loss on sale of FA and exceptional items but after tax) (Interest expense on short term and long term borrowings + scheduled principal repayment of long term borrowing during the year)
Net Capital Turnover Ratio	(Revenue from contract with customers) (Average working capital)
Return on Investment	(Revenue from contract with customers) (Average working capital)
Return on Equity ratio	(Dividend income + Group's share in net profit / (loss) of associates and joint ventures accounted for using the equity method) Average Investment
Current Ratio	Current assets Current liabilities
Debt Equity Ratio	(Long term borrowing including current maturities + short term borrowing + lease liabilities) Shareholders equity
Net Profit Ratio	Profit / (loss) for the period Revenue from operations
Return on Capital Employed	(Earnings before interest and taxes) (Average capital employed)

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

The Securities and Exchange Board of India (SEBI) vide its circular dated May 10, 2021, made Business Responsibility and Sustainability Report (BRSR) mandatory for the top 1,000 listed companies (by market capitalization) from F.Y. 2022-2023. SEBI has also made BRSR disclosures for F.Y. 2021-2022 on voluntary basis. In order to enhance disclosure practices, the Company has taken initiative to publish BRSR Report for F.Y. 2021-22 on voluntary basis.

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

<b>1. Corporate Identity Number (CIN) of the Listed Entity</b>	L34300MH1986PLC284510
<b>2. Name of the Listed Entity</b>	Samvardhana Motherson International Limited (Formerly Motherson Sumi Systems Limited)
<b>3. Year of incorporation</b>	1986
<b>4. Registered office address</b>	Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East Mumbai - 400051, Maharashtra
<b>5. Corporate address</b>	Motherson Tower, Plot No1, Sector 127, Noida Expressway, Noida, (U.P.), India
<b>6. E-mail</b>	investorrelations@motherson.com
<b>7. Telephone</b>	+91 22 61354800
<b>8. Website</b>	<a href="http://www.motherson.com">www.motherson.com</a>
<b>9. Financial year for which reporting is being done</b>	2021-22
<b>10. Name of the Stock Exchange(s) where shares are listed</b>	1. BSE Limited 2. National Stock Exchange of India Limited
<b>11. Paid-up Capital</b>	INR 4,518 million
<b>12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	<p>1. Mr. Barrie Painter +91 120 6679500 sustainability@motherson.com</p> <p>Mr. Barrie Painter is an Executive Vice President - General Management employed in a wholly owned subsidiary of Samvardhana Motherson Automotive Systems Group B.V., Netherlands ("SMRP BV"). SMRP BV is a wholly owned subsidiary of the Company. Mr. Painter is heading all sustainability and ESG development goals of Motherson Group.</p> <p>2. Mr. Pankaj Mital Chief Operating Officer +91 120 6752100 sustainability@motherson.com</p>

#### 13. Reporting boundary -

The disclosures under this report are made on a consolidated basis, unless otherwise specified.

Data	Basis
Financial	Consolidated Global Operations
Environmental	Environmental quantitative data is representative of 85% coverage for FY 2021-22 and 83% coverage for FY 2020-21, of the reporting entity based on gross sales revenue.
Social	Social quantitative data is representative of 85% coverage for FY 2021-22 and 77% coverage for FY 2020-21, of the total headcount of the entity based on consolidated reporting capability.

The data measurement techniques used, and the basis of calculations and estimates have been mentioned in the relevant areas of this report. For any change in basis or assumptions from the previous year, the Company intends to provide specific reference for such change. The Company does not believe there is any substantial divergence from the GRI Indicator Protocols.

The data is sourced from various operating units and compiled at the central level. No Independent assessment / evaluation / assurance has been carried out by an external agency. Further, management intend to engage and include all its joint venture partners and associate for adoption of sustainability goals and reporting on consolidated basis for the Company.

#### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover): from continuing operation

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Sale of manufacturing product	Manufacturing of goods	98
2	Sale of trading product	Trading of goods	1
3	Sale of Services	Rendering of Services	1

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Polymer & Modules	29302	49
2	Wiring Harness	29304	30
3	Vision Systems	29302	18

#### III. Operations

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

Location	Number of plants	Number of offices	Total
National	122	10	132
International	147	26	173



#### 17. Markets served by the entity:

- a. Number of locations

Locations	Number - Company Location	Number - Customer Locations
National (No. of States)	9 States & 2 UT	19
International (No. of Countries)	40	57

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

Out of the consolidated revenue of the entity, export from India to external customer is 1.91% while revenue from external customer outside India is INR 596,575 million.

- c. A brief on types of customers

Revenues of the group are largely on a Business to Business basis to OEM customers as a tier 1 supplier, or to other tier 1 suppliers in the interest of supply chain optimisation as requested by the OEMs.

#### IV. Employees

##### 18. Details as at the end of Financial Year 2021-22:

- a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1	Permanent (D)	25,690	20,993	82%	4,697	18%
2	Other than Permanent (E)	452	326	72%	126	28%
3	Total employees (D + E)	26,142	21,319	82%	4,823	18%
<b>WORKERS</b>						
4	Permanent (F)	47,456	24,458	52%	22,998	48%
5	Other than Permanent (G)	54,966	30,286	55%	24,680	45%
6	Total workers (F + G)	102,422	54,744	53%	47,678	47%

- b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	284	212	75%	72	25%
2	Other than Permanent (E)	6	4	67%	2	33%
3	Total differently abled employees (D + E)	290	216	74%	74	26%
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	428	275	64%	154	36%
5	Other than Permanent (G)	97	78	80%	19	20%
6	Total differently abled workers (F + G)	525	353	67%	173	33%

#### 19. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel	3*	0	0

\* includes one whole-time director forming part of board of directors also.

#### 20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 22			FY 21			FY 20		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8%	12%	8%	-	-	-	-	-	-
Permanent Workers	21%	23%	22%	-	-	-	-	-	-

Information is not available for historical financial years at the levels requested.

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	MSSL Mauritius Holdings Limited (MMHL)	Subsidiary	100%	Yes
2	Motherson Electrical Wires Lanka Private Limited	Subsidiary	100%	Yes
3	MSSL Mideast (FZE)	Subsidiary	100%	Yes
4	MSSL (S) Pte Limited	Subsidiary	100%	Yes
5	Motherson Innovations Tech Limited	Subsidiary	100%	Yes
6	Samvardhana Motherson Polymers Limited (SMPL)	Subsidiary	100%	Yes
7	MSSL (GB) Limited (Jointly held by the Company and MSSL Mideast (FZE))	Subsidiary	100%	Yes
8	Motherson Wiring System (FZE) (held by MSSL Mideast (FZE))	Subsidiary	100%	Yes
9	MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
10	MSSL GmbH (held by MSSL Mideast (FZE))	Subsidiary	100%	Yes
11	Samvardhana Motherson Invest Deutschland GmbH (held by MSSL GmbH)	Subsidiary	100%	Yes
12	MSSL Advanced Polymers s.r.o. (held by MSSL GmbH)	Subsidiary	100%	Yes
13	Motherson Techno Precision GmbH (held by MSSL GmbH)	Subsidiary	100%	Yes
14	MSSL s.r.l. Unipersonale (held by MSSL (GB) Limited)	Subsidiary	100%	Yes
15	Motherson Techno Precision México, S.A. de C.V (held by Motherson Techno Precision GmbH)	Subsidiary	100%	Yes
16	MSSL Manufacturing Hungary Kft (held by MSSL GmbH)	Subsidiary	100%	Yes
17	Motherson Air Travel Pvt Ltd (held by MSSL Mideast (FZE))	Subsidiary	100%	Yes
18	MSSL Australia Pty Limited (held by MSSL Mauritius Holdings Limited)	Subsidiary	80%	Yes
19	Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Subsidiary	100%	Yes
20	Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Subsidiary	100%	Yes
21	MSSL Ireland Private Limited (held by MSSL (GB) Limited)	Subsidiary	100%	Yes
22	MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	Subsidiary	100%	Yes
23	MSSL Japan Limited (held by MSSL (S) Pte Limited)	Subsidiary	100%	Yes
24	Vacuform 2000 (Proprietary) Limited (held by MSSL Mauritius Holdings Limited)	Subsidiary	51%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
25	MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Subsidiary	100%	Yes
26	MSSL WH System (Thailand) Co., Ltd (held by MSSL (S) Pte. Ltd.)	Subsidiary	100%	Yes
27	MSSL Korea WH Limited (held by MSSL (S) Pte. Ltd.)	Subsidiary	100%	Yes
28	MSSL Consolidated Inc. (held by MSSL (GB) Ltd.)	Subsidiary	100%	Yes
29	MSSL Wiring System Inc. (held by MSSL Consolidated Inc.)	Subsidiary	100%	Yes
30	Alphabet de Mexico, S.A. de C.V. (held by MSSL (GB) Ltd.)	Subsidiary	100%	Yes
31	Alphabet de Mexico de Monclova, S.A. de C.V. (held by MSSL (GB) Ltd.)	Subsidiary	100%	Yes
32	Alphabet de Saltillo, S.A. de C.V. (held by MSSL (GB) Ltd.)	Subsidiary	100%	Yes
33	MSSL Wirings Juarez, S.A. de C.V. (held by MSSL (GB) Ltd.)	Subsidiary	100%	Yes
34	Samvardhana Motherson Global Holdings Ltd. (SMGHL) (jointly held by MSSL Mauritius Holdings Limited & Samvardhana Motherson Holding (M) Pvt. Ltd.)	Subsidiary	100%	Yes
35	Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV) (held by SMGHL and SMPL)	Subsidiary	100%	Yes
36	Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by SMRPBV)	Subsidiary	98.45%	Yes
37	SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Subsidiary	100%	Yes
38	SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	Subsidiary	100%	Yes
39	SMR Automotive Holding Hong Kong Limited (held by SMR)	Subsidiary	100%	Yes



S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
40	SMR Automotive Systems India Limited (Jointly held by the Company and SMR Automotive Technology Holding Cyprus Limited)	Subsidiary	100%	Yes
41	SMR Automotive Systems France S.A. (held by SMR Automotive Technology Holding Cyprus Limited)	Subsidiary	100%	Yes
42	SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR Automotive Technology Holding Cyprus Limited)	Subsidiary	100%	Yes
43	SMR Patents S.à.r.l. (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Subsidiary	100%	Yes
44	SMR Automotive Technology Valencia S.A.U. (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Subsidiary	100%	Yes
45	SMR Automotive Mirrors UK Limited (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Subsidiary	100%	Yes
46	SMR Automotive Mirror International USA Inc. (held by SMR Mirrors UK Limited)	Subsidiary	100%	Yes
47	SMR Automotive Systems USA Inc. (held by SMR Automotive Mirror International USA Inc.)	Subsidiary	100%	Yes
48	SMR Automotive Beijing Company Limited (held by SMR Automotive Holding Hong Kong Limited)	Subsidiary	100%	Yes
49	SMR Automotive Yancheng Co. Limited (held by SMR Automotive Holding Hong Kong Limited)	Subsidiary	100%	Yes
50	SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
51	SMR Holding Australia Pty Limited (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Subsidiary	100%	Yes
52	SMR Automotive Australia Pty Limited (held by SMR Holding Australia Pty Ltd.)	Subsidiary	100%	Yes
53	SMR Automotive Mirror Technology Hungary BT (held by SMR Automotive Technology Holding Cyprus Limited)	Subsidiary	100%	Yes
54	Motherson Business Service Hungary Kft. (held by SMR Automotive Mirror Technology Hungary BT)	Subsidiary	100%	Yes
55	SMR Automotive Modules Korea Ltd. (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Subsidiary	100%	Yes
56	SMR Automotive Beteiligungen Deutschland GmbH (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Subsidiary	100%	Yes
57	SMR Hyosang Automotive Ltd. (held by SMR Automotive Modules Korea Ltd.)	Subsidiary	100%	Yes
58	SMR Automotive Mirrors Stuttgart GmbH (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Subsidiary	100%	Yes
59	SMR Automotive Systems Spain S.A.U (held by SMR Automotive Mirrors Stuttgart GmbH)	Subsidiary	100%	Yes
60	SMR Automotive Vision Systems Mexico S.A de C.V (Jointly held by SMR Automotive Mirrors Stuttgart GmbH and SMR Automotive Systems Spain S.A.U.)	Subsidiary	100%	Yes
61	Samvardhana Motherson Corp Management Shanghai Co Ltd. (held by SMR Automotive Mirrors Stuttgart GmbH)	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
62	SMR Grundbesitz GmbH & Co. KG (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Subsidiary	93.07%	Yes
63	SMR Automotive Brasil Ltda. (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Subsidiary	100%	Yes
64	SMR Automotive System (Thailand) Limited (held by SMR Automotive Technology Holding Cyprus Limited)	Subsidiary	100%	Yes
65	SMR Automotives Systems Macedonia Dooel Skopje (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Subsidiary	100%	Yes
66	SMR Automotive Operations Japan K.K. (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Subsidiary	100%	Yes
67	SMR Automotive (Langfang) Co. Ltd (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Subsidiary	100%	Yes
68	SMR Automotive Vision System Operations USA INC (held by SMR Automotive Mirror Parts and Holdings UK Ltd)	Subsidiary	100%	Yes
69	SMR Mirror UK Limited (held by SMR Automotive Vision System Operations USA INC)	Subsidiary	100%	Yes
70	Motheron Innovations Company Limited (held by SMR)	Subsidiary	100%	Yes
71	Motheron Innovations Deutschland GmbH (held by Motheron Innovations Company Limited)	Subsidiary	100%	Yes
72	Motheron Innovations LLC (held by Motheron Innovations Company Limited)	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
73	Samvardhana Motheron Global (FZE) (held by SMR)	Subsidiary	100%	Yes
74	SMR Automotive Industries RUS Limited Liability Company (jointly held by SMR Automotive Mirror Technology Holding Hungary Kft & SMR Automotive Technology Holding Cyprus Ltd.)	Subsidiary	100%	Yes
75	SMR Plast Met Molds and Tools Turkey Kalıp İmalat Anonim Sirketi (held by SMR Automotive Mirrors Stuttgart GmbH)	Subsidiary	75%	Yes
76	SMR Plast Met Automotive Tec Turkey Plastik İmalat Anonim Şirketi (held by SMR Automotive Mirrors Stuttgart GmbH)	Subsidiary	75%	Yes
77	Samvardhana Motheron Peguform GmbH (SMP) (held by SMRPBV)	Subsidiary	100%	Yes
78	SMP Automotive Interiors (Beijing) Co. Ltd. (held by SMRPBV)	Subsidiary	100%	Yes
79	SMP Deutschland GmbH (held by Samvardhana Motheron Peguform GmbH and SMGHL)	Subsidiary	100%	Yes
80	SMP Logistik Service GmbH (held by SMP Deutschland GmbH)	Subsidiary	100%	Yes
81	SMP Automotive Solutions Slovakia s.r.o. (held by SMP Deutschland GmbH)	Subsidiary	100%	Yes
82	Changchun Peguform Automotive Plastics Technology Co., Ltd. (held by SMP Deutschland GmbH)	Subsidiary	50% +1share	Yes
83	Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	Subsidiary	100%	Yes
84	Shenyang SMP Automotive Plastic Component Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	Subsidiary	100%	Yes



S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
85	Tianjin SMP Automotive Component Company Limited (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	Subsidiary	100%	Yes
86	Shenyang SMP Automotive Trim Co., Ltd (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	Subsidiary	100%	Yes
87	SMP Automotive Technology Management Services (Changchun) Co. Ltd. (held by SMP Deutschland GmbH)	Subsidiary	100%	Yes
88	SMP Automotive Technology Iberica S.L. (held by SMRPBV)	Subsidiary	100%	Yes
89	Samvardhana Motherson Peguform Barcelona S.L.U (held by SMP Automotive Technology Iberica S.L.)	Subsidiary	100%	Yes
90	SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Subsidiary	100%	Yes
91	Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (held by SMP Automotive Technology Iberica S.L.)	Subsidiary	100%	Yes
92	SMP Automotive Systems Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Subsidiary	100%-1share	Yes
93	SMP Automotive Produtos Automotivos do Brasil Ltda. (held by SMP Automotive Technology Iberica S.L.)	Subsidiary	100%-1share	Yes
94	SMP Automotive Exterior GmbH (held by Samvardhana Motherson Peguform GmbH)	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
95	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG (held by Samvardhana Motherson Peguform GmbH)	Subsidiary	100%	Yes
96	Samvardhana Motherson Innovative Autosystems Holding Company BV (held by SMR)	Subsidiary	100%	Yes
97	SM Real Estate GmbH (held by SMGHL & SMP Automotive Exterior GmbH)	Subsidiary	100%	Yes
98	Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V. (held jointly by SMR & SMP)	Subsidiary	100%	Yes
99	SMP Automotive Systems Alabama Inc. (held by SMR Automotive Mirror International USA Inc.)	Subsidiary	100%	Yes
100	Celulosa Fabril (Cefa) S.A. (held by SMP automotive technology Iberica S.L.)	Subsidiary	50%	Yes
101	Modulos Ribera Alta S.L.Unipersonal (held by Celulosa Fabril (Cefa) S.A.)	Subsidiary	100%	Yes
102	Motherson Innovations Lights GmbH & Co KG (held by Samvardhana Motherson Peguform GmbH)	Subsidiary	100%	Yes
103	Motherson Innovations Lights Verwaltungs GmbH (held by Motherson Innovations Lights GmbH & Co KG)	Subsidiary	100%	Yes
104	SMP Automotive Interior Modules d.o.o. Čuprija (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
105	MSSL Estonia WH OÜ (held by MSSL (GB) Limited)	Subsidiary	100%	Yes
106	PKC Group Oy (held by MSSL Estonia WH OÜ)	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
107	PKC Wiring Systems Oy (held by PKC Group Oy)	Subsidiary	100%	Yes
108	PKC Group Poland Sp. z o.o. (held by PKC Eesti AS)	Subsidiary	100%	Yes
109	PKC Wiring Systems Llc (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
110	PKC Group APAC Limited (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
111	PKC Group Canada Inc. (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
112	PKC Group USA Inc. (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
113	PKC Group Mexico S.A. de C.V. (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
114	Project del Holding S.a.r.l. (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
115	PK Cables do Brasil Ltda (jointly held by PKC Wiring Systems Oy & Project Del Holding S.à.r.l.)	Subsidiary	100%	Yes
116	PKC Eesti AS (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
117	TKV-sarjat Oy (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
118	Motherson Rolling Stocks S. de R.L. de C.V. (Jointly held by TKV-sarjat Oy and MSSSL (GB) Limited)	Subsidiary	100%	Yes
119	PKC SEGU Systemelektrik GmbH (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
120	Groclin Luxembourg S.à r.l. (held by PKC Group Poland Holding Sp. z o.o.)	Subsidiary	100%	Yes
121	PKC Vehicle Technology (Suzhou) Co., Ltd. (held by PKC Group APAC Limited)	Subsidiary	100%	Yes
122	AEES Inc. (held by PKC Group USA Inc.)	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
123	PKC Group Lithuania UAB (held by PKC Eesti AS)	Subsidiary	100%	Yes
124	PKC Group Poland Holding Sp. z o.o. (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
125	OOO AEK (jointly held by PKC Eesti AS & TKV Sarjat Oy)	Subsidiary	100%	Yes
126	Kabel-Technik-Polska Sp. z o.o. (held by Groclin Luxembourg S.à r.l.)	Subsidiary	100%	Yes
127	T.I.C.S. Corporation (held by AEES Inc.)	Subsidiary	100%	Yes
128	AEES Power Systems Limited partnership (jointly held by T.I.C.S. Corporation & AEES Inc.)	Subsidiary	100%	Yes
129	Fortitude Industries Inc. (held by AEES Inc.)	Subsidiary	100%	Yes
130	AEES Manufactuera, S. De R.L de C.V. (held by Project del Holding S.a.r.l.)	Subsidiary	100%	Yes
131	Cableodos del Norte II, S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Subsidiary	100%	Yes
132	Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Subsidiary	100%	Yes
133	Arneses y Accesorios de México, S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Subsidiary	100%	Yes
134	Asesoría Mexicana Empresarial, S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Subsidiary	100%	Yes
135	Arneses de Ciudad Juarez, S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Subsidiary	100%	Yes
136	PKC Group de Piedras Negras, S. de R.L. de C.V. (held by Project del Holding S.a.r.l.)	Subsidiary	100%	Yes



S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
137	PKC Group AEES Commercial S. de R.L de C.V (held by Project del Holding S.a.r.l.)	Subsidiary	100%	Yes
138	Jiangsu Huakai-PKC Wire Harness Co., Ltd. (held by PKC Group APAC Limited)	Subsidiary	50%	Yes
139	PKC Vechicle Technology (Hefei) Co, Ltd. (held by PKC Group APAC Limited)	Subsidiary	50%	Yes
140	PKC Vehicle Technology (Fuyang) Co., Ltd. (held by PKC Vechicle Technology (Hefei) Co, Ltd.)	Subsidiary	100%	Yes
141	Shangdong Huakai-PKC Wire Harness Co., Ltd. (held by Jiangsu Huakai-PKC Wire Harness Co., Ltd.)	Subsidiary	100%	Yes
142	Motherson Rolling Stock Systems GB Limited (held by Kabel Technik Polska Sp. z o.o.)	Subsidiary	100%	Yes
143	Motherson PKC Harness Systems FZ-LLC (held by PKC Eesti AS)	Subsidiary	100%	Yes
144	Global Environment Management (FZE) (held by MSSL Mauritius Holdings Limited)	Subsidiary	100%	Yes
145	SMRC Automotive Holdings B.V. (held by SMRPBV)	Subsidiary	100%	Yes
146	SMRC Automotive Holdings Netherlands B.V. (held by SMRC Automotive Holdings B.V.)	Subsidiary	100%	Yes
147	SMRC Automotives Techno Minority Holdings B.V. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
148	SMRC Automotive Modules France SAS (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
149	Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
150	SMRC Automotive Interiors Spain S.L.U. (held by Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.)	Subsidiary	100%	Yes
151	SMRC Automotive Interior Modules Croatia d.o.o (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
152	Samvardhana Motherson Reydel Autotecc Morocco SAS (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
153	SMRC Automotive Technology RU LLC (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
154	SMRC Smart Interior Systems Germany GmbH (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
155	SMRC Automotive Solutions Slovakia s.r.o. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
156	SMRC Automotive Holding South America B.V. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
157	SMRC Automotive Modules South America Minority Holdings B.V. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
158	SMRC Automotive Tech Argentina S.A. (jointly held by SMRC Automotive Holding South America B.V. & SMRC Automotive Modules South America Minority Holdings B.V.)	Subsidiary	100%	Yes
159	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda (held by SMRC Automotive Holding South America B.V.)	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
160	SMRC Automotive Products India Limited (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
161	SMRC Automotive Smart Interior Tech (Thailand) Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
162	SMRC Automotive Interiors Japan Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
163	Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
164	PT SMRC Automotive Technology Indonesia (jointly held by SMRC Automotive Holdings Netherlands B.V. & SMRC Automotives Techno Minority Holdings B.V.)	Subsidiary	100%	Yes
165	Yujin SMRC Automotive Techno Corp. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	50.9%	Yes
166	SMRC Automotives Technology Phil Inc. (held by SMRC Automotive Holdings Netherlands B.V.)	Subsidiary	100%	Yes
167	Motherson Ossia Innovations LLC. (held by Motherson Innovations LLC)	Subsidiary	51%	Yes
168	Re-time Pty Limited (held by SMR Automotive Australia Pty Limited)	Subsidiary	71.4%	Yes
169	Wisetime Oy (held by PKC Wiring Systems Oy)	Subsidiary	100%	Yes
170	Motherson Consultancies Service Limited	Subsidiary	100%	Yes
171	Samvardhana Motherson Finance Service Cyprus Limited	Subsidiary	100%	Yes
172	Samvardhana Motherson Holding (M) Private Limited	Subsidiary	100%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
173	Samvardhana Motherson Auto Component Private Limited	Subsidiary	100%	Yes
174	MS Global India Automotive Private Limited	Subsidiary	100%	Yes
175	Samvardhana Motherson Maadhyam International Limited	Subsidiary	100%	Yes
176	Samvardhana Motherson Global Carriers Limited	Subsidiary	100%	Yes
177	Samvardhana Motherson Innovative Solutions Limited	Subsidiary	100%	Yes
178	Samvardhana Motherson Refrigeration Product Limited (held by Samvardhana Motherson Innovative Solutions Limited)	Subsidiary	100%	Yes
179	Motherson Machinery and Automations Limited (held by Samvardhana Motherson Innovative Solutions Limited)	Subsidiary	100%	Yes
180	Samvardhana Motherson Auto System Private Limited (held by Samvardhana Motherson Innovative Solutions Limited)	Subsidiary	100%	Yes
181	Motherson Sintermetal Technology B.V. (held by Samvardhana Motherson Innovative Solutions Limited)	Subsidiary	100%	Yes
182	Motherson Invenzen XLab Private Limited	Subsidiary	100%	Yes
183	Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited)	Subsidiary	62.9%	Yes
184	MSID US Inc (held by Motherson Technology Services Limited)	Subsidiary	100%	Yes
185	MothersonSumi INFotekk and Designs GmbH (held by Motherson Technology Services Limited)	Subsidiary	100%	Yes



S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
186	MotherSumi Infotech and Designs S.G. Pte. Limited (held by MotherSumi Technology Services Limited)	Subsidiary	100%	Yes
187	MotherSumi Infotech & Designs KK (held by MotherSumi Infotech and Designs S.G. Pte. Limited)	Subsidiary	85.7%	Yes
188	MotherSumi Infotech Designs Mid East FZ-LLC (held by MotherSumi Technology Services Limited)	Subsidiary	100%	Yes
189	MotherSumi Infotech and Solutions UK Ltd (held by MotherSumi Technology Services Limited)	Subsidiary	100%	Yes
190	MotherSumi Auto Engineering Service Limited (held by MotherSumi Technology Services Limited)	Subsidiary	100%	Yes
191	Samvardhana MotherSumi Health Solutions Limited (held by MotherSumi Technology Services Limited)	Subsidiary	100%	Yes
192	SMI Technologies Inc. (held by MotherSumi Technology Services Limited)	Subsidiary	100%	Yes
193	MotherSumi Information Technologies Spain S.L.U. (held by MotherSumi Technology Services Limited)	Subsidiary	100%	Yes
194	Samvardhana MotherSumi Virtual Analysis Limited (held by MotherSumi Technology Services Limited)	Subsidiary	100%	Yes
195	SAKS Ancillaries Limited (held by the Company and Samvardhana MotherSumi Innovative Solutions Limited)	Subsidiary	98.3%	Yes
196	Samvardhana MotherSumi Hamakyorex Engineered Logistics Limited	Subsidiary	50%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
197	MotherSumi Techno Tools Limited (held by Samvardhana MotherSumi Innovative Solutions Limited)	Subsidiary	60%	Yes
198	MotherSumi Techno Tools Mideast FZE (held by MotherSumi Techno Tools Limited)	Subsidiary	100%	Yes
199	MotherSumi Molds and Diecasting Limited (jointly held by the Company and CTM India Limited)	Subsidiary	71%	Yes
200	MotherSumi Air Travel Agencies Limited	Subsidiary	74%	Yes
201	CTM India Limited	Subsidiary	41%	Yes
202	MotherSumi Auto Solutions Limited (through Samvardhana MotherSumi Innovative Solutions Limited)	Subsidiary	66%	Yes
203	Kyungshin Industrial MotherSumi Private Limited	Joint Venture	50%	Yes
204	Calsonic Kansei MotherSumi Auto Products Private Limited	Joint Venture	49%	Yes
205	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR Automotive Mirror Systems Holding Deutschland GmbH) (Includes Chongqing SMR Huaxiang Automotive Products Limited, Tianjin SMR Huaxiang Automotive Part Co. Limited & Nanchang JMCG SMR Huaxiang Mirror Co. Ltd.)	Joint Venture	50%	Yes
206	Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Joint Venture	49%	Yes
207	MotherSumi Sumi Wiring India Limited	Joint Venture	33%	Yes
208	Anest Iwata MotherSumi Coating Equipment Private Limited (through Samvardhana MotherSumi Innovative Solutions Limited)	Joint Venture	49%	Yes

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
209	Anest Iwata Motherson Private Limited (through Samvardhana Motherson Innovative Solutions Limited)	Joint Venture	49%	Yes
210	Marelli Motherson Automotive Lighting India Private Ltd.	Joint Venture	50%	Yes
211	Marelli Motherson Auto Suspension Parts Pvt Ltd	Joint Venture	50%	Yes
212	Valeo Motherson Thermal Commercial Vehicles India Limited	Joint Venture	49%	Yes
213	Matsui Technologies India Limited	Joint Venture	50%-1share	Yes
214	Frigel Intelligent Cooling Systems India Private Limited (held by Matsui Technologies India Limited)	Joint Venture	25%	Yes
215	Fritzmeier Motherson Cabin Engineering Private Limited	Joint Venture	50%	Yes
216	Nissin Advanced Coating Indo Co. Private Limited (through Samvardhana Motherson Innovative Solutions Limited)	Joint Venture	49%	Yes
217	Motherson Bergstrom HVAC Solutions Private Limited	Joint Venture	50%	Yes
218	Youngshin Motherson Auto Tech Limited	Joint Venture	50%	Yes
219	Hubei Zhengao PKC Automotive Wiring Company Ltd. (held by PKC Group APAC Limited)	Associate	40%	Yes
220	AES (India) Engineering Limited (held by Samvardhana Motherson Innovative Solutions Limited)	Associate	26%	Yes

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No)** **Yes**
- (ii) Turnover<sup>1</sup> (in INR) 52,970 million
- (iii) Net worth<sup>1</sup> (in INR) 303,767 million

<sup>1</sup> SAMIL Standalone

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 22 Current Financial Year			FY 21 Previous Financial Year		
		No. of complaints filed this year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed this year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy) Yes	FY 22 Current Financial Year			FY 21 Previous Financial Year		
		No. of complaints filed this year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed this year	No. of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	10	0	-	8	0	-
Employees and workers	Yes	91	613	-	76	609	-
Customers	Yes	1	2	-	0	1	-
Value Chain Partners	Yes	9	16	-	3	13	-
Others (please specify)	Yes	2	3	-	2	1	-

For detailed policies for grievance redressal mechanisms please refer to <https://www.motherson.com/performance/samil-investors/queries-and-grievances>. For detailed policies for Human Rights, please refer to the <https://www.motherson.com/storage/Group-Policies/Human-Rights-Principles-Statement.pdf>



24. 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 opportunity (Indicate positive or negative implications)
1	Waste	Opportunity	Environment benefit, reduced waste, improved economic circularity and performance		Up to 1% of revenue can be wasted and therefore represents an opportunity for savings
2	Water	Opportunity & Risk	O: Reduction in consumption in our processes R: Operating in water stressed countries	Actively reducing reliance and introducing water harvesting	Minor financial impact
3	Climate and environmental action	Opportunity & Risk	Global warming and industry transition risk	Climate change and industry transition are now embedded in company risk management process. Aligned with TCFD framework. Decarbonisation ambition established across the company.	Negative financial implications associated with not successfully adopting mitigation strategies
4	Energy	Opportunity & Risk	O: Efficient consumption and introducing own renewable energy sources R: Increasing energy costs and potential availability	Active energy management and transition to ISO 50001	Negative financial implications associated with rising energy cost and investment in mitigation
5	Emissions	Risk	Challenging roadmap to address Scope 3 emissions	Clear roadmap for Scope 1 & 2 and collaboration strategies in process to address Scope 3	Negative financial impact if we are unable to meet industry expectations
6	Circular Economy	Opportunity	Commercial opportunities to reduce, recycle and reuse material and products to benefit customers as well as the environment		Positive financial impact
7	Materials	Opportunity & Risk	O: Use of NextGen materials and use of reclaimed, recycled, and repurposed materials R: Risk of supply and availability of feed stock of current and future materials	Develop new materials and collaborations with both customers and suppliers	In the short term negative financial impact of investing in new materials. In the long term there is positive financial impact alignment to industry expectations

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 opportunity (Indicate positive or negative implications)
8	Supply Chain Environmental Sustainability	Risk	Challenging roadmap to address Scope 3 emissions	Collaboration strategies in process to address Scope 3	Negative financial impact if we are unable to meet industry expectations
9	Employee Safety	Opportunity	Continuous levelling up across the world to Health and Safety best practices in line with our global EHS policy		Neutral financial impact
10	Human Rights	Risk	Potential short term business interruption associated with any accusations of breach of Human Rights	Committed to UNGC principles and global deployment of the Human Rights policy	Minor negative financial impact
11	Diversity & Equality	Risk	Insufficient diversity across the group	Improved employer branding to attract a diverse talent pool	Minor negative financial impact
12	Supply Chain Social Responsibility	Risk	Transparency on adherence to Motherson principles and policies	Integration of principles and policies to the supply chain	Negative financial impact
13	Community	Opportunity	Talent attraction and retention		Neutral financial impact
14	Employee Engagement	Opportunity	Increased loyalty and productivity		Neutral financial impact
15	Financial Performance	Opportunity	Generate more resources to fund our Vision 2025		Positive financial impact
16	Risk Management	Opportunity	Evaluate risks to mitigate negative business performance and capitalize on opportunities		Positive financial impact
17	Ethics and Compliance	Risk	Regulatory risk with respect to operating in multiple jurisdictions and risk of reputational damage.	Structure of Regional Chairman's Office (RCO's) and legal council for regional oversight	Possible negative financial impact for regulatory breach
18	Products and Innovation	Opportunity	Product enhancement, diversification and value add aligned to industry trends		Positive financial impact
19	Management systems	Opportunity	Increased efficiency, agility, consistency and productivity across the entire enterprise		Positive financial impact

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

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

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
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	No	Yes	Yes	No	No	No
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.			ISO 45001; UNGC		UNGC	ISO 14001, ISO 50001*;			
* Our first sites have already achieved ISO 50001 accreditation - and we are confident we will reach our target. By measuring energy consumption at every step of every process, Motherson will identify opportunities to increase efficiency through process adjustments and/or introducing next-generation, energy-efficient production machinery.										
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any						Carbon Net Zero across our current global operations by 2040.			
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.						Progress ongoing, with country and operating unit level roadmaps under development.			
<b>Governance, leadership and oversight</b>										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Refer to page 30								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors of the Company has constituted a Global Sustainability Committee to drive the sustainability goals of the Company.  Mr. Barrie Painter, Executive Vice President - General Management is responsible for implementation and oversight of Business Responsibility policy(ies) for Motherson under the supervision and directions of the Board of Directors and/or the Global Sustainability Committee of the Company.								
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.	Yes. Sustainability sub-committee of the board consisting of Vice-chairman and 2 independent directors.  Refer to Corporate Information, Pg1 of the Annual Report.								

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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually
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.	No	No	No	No	No	No	No	No	No									

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)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
It is planned to be done in the next financial year (Yes/No)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Any other reason (please specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the principles and core elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

#### PRINCIPLE 1- Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

##### ESSENTIAL INDICATORS

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Programs / Principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	1	<ul style="list-style-type: none"> <li>Listed Entities – post re-organisation</li> <li>Board Charter</li> <li>Audit Committee Charter</li> <li>Risk Management Committee Charter</li> <li>Nomination and Remuneration Committee Charter</li> <li>Corporate Social Responsibility Committee Charter</li> <li>Stakeholders’ Relationship Committee</li> <li>Role &amp; Responsibilities of Key Managerial Personnel</li> <li>Code of conduct for Directors.</li> </ul>	100%

Segment	Total number of training and awareness programs held	Programs / Principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Key Managerial Personnel	1	Policy Training and Affirmation on an annual basis	100%
Employees other than BoD and KMPs	10691	The Motherson Code of Conduct provides the broad foundation of ethical and behavioural expectations for all employees of Motherson. To complement the Code, Motherson has a suite of policies related to ethics, transparency and accountability which include whistle-blower, related party transaction, prevention of harassment, data protection, competition and anti-trust, anti-bribery/ gifts/ meal/ entertainment, human rights, inclusion and diversity. This suite of policies has an associated option of training avenues that include e-learning and live face-to-face training. A vast array of additional, complementary training initiatives also exists across Motherson, including multi-tiered leadership training, from function specific leadership to operational frontline leadership to comprehensive multifaceted development programs and external tertiary study; Motherson DNA, values and behaviour training; soft and hard-skills training which are offered both internally and externally.	87%
Workers	38882	A similar framework exists for the Workers as it does for the category of Employees. In addition, there are related training initiatives that focus on specific on-the-job related skills and competence development.	93%

The total number of training and awareness programs held is representative of the training/awareness sessions conducted to cover the employees in policy training. The percentage of employees mentioned here is recorded as being trained.

- 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 (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement	Amount (In INR)	Brief of the Case	Has an appeal been
Penalty/ Fine	Nil	Nil	Nil	N/A	N/A
Settlement	Nil	Nil	Nil	N/A	N/A
Compounding fee	Nil	Nil	Nil	N/A	N/A

Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement	Brief of the Case		Has an appeal been
Imprisonment	N/A	N/A	N/A	N/A	N/A
Punishment	N/A	N/A	N/A	N/A	N/A

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
N/A	N/A

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

Yes. Motherson contains guidelines on anti-bribery and anti-corruption. The Motherson Group has "ZERO TOLERANCE" to any form of bribery and corruption and is committed to ensuring that Motherson employees and contractors working on their behalf do not abet to offer or promise any form of bribery or corruption or act in contravention of any Anti-Bribery and Anti-Corruption Laws. Motherson Group believes that in addition to being a legal requirement, any instance of bribery or corruption is morally unacceptable. The policy is available on the company website at: <https://www.motherson.com/storage/Group-Policies/Anti-Bribery-Gifts-Meals-&-Entertainment-Policy.pdf>

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

	FY 22 Current Financial Year	FY 21 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 22 Current Financial Year		FY 21 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N/A	Nil	N/A
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	N/A	Nil	N/A

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

## LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of training and awareness programs held	Topics / Principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
1	Business Principles, Environment Principles, Human Rights and Workplace Practices	80

Company has issued a questionnaire and is conducting a survey of 5000 of its suppliers constituting approximately 80% by spend of its supply chain on sustainability covering ESG and has also issued a supply chain Code of Conduct. <https://www.motherson.com/storage/Group-Policies/supplier-code-of-conduct-22.pdf>. The supplier performance evaluation system has also been updated to ensure the scope of assessment has the required coverage.

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, Company has Code of Conduct of Directors which clearly states that every director representing Motherson shall endeavour to avoid conflict of interest and is expected to act in the best interests of Motherson.

## 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 the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	N/A	N/A	All R&D is driven by our customers who are committed to producing products that have a positive environmental and/or social impact. Our R&D investments are focussed on meeting customer requirements and aligned to industry trends such as electric mobility, decarbonisation, end consumer experience and economic circularity. We do not have consolidated tracking available specifically for environmental and social impact activities.
Capex	N/A	N/A	We do not have separated & consolidated global capex tracking available specifically for environmental and social impact activities in FY22.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
Yes, Supplier performance evaluation system has been updated to include sustainability assessment criteria going forward from FY23.
- b. If yes, what percentage of inputs were sourced sustainably?  
This is not tracked historically
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 and (d) other waste.  
We are not yet involved in the end of life recovery with our customers. However packaging sheets per part number define which reusable packaging is to be used.



The majority of Motherson sites globally operate within environments where recycling facilities exist for all types of waste, and use of recycled materials and packaging is adopted wherever possible. For locations where such facilities do not exist then all waste is disposed of in compliance with regulatory requirements.

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 Boards? If not, provide steps taken to address the same.

Not applicable

#### LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) 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 the web-link.
29304	Wiring Harness	11	Cradle to gate	Yes	No
29302	Vision	20	Cradle to gate	Yes	No
29302	Modules & Polymers Interiors	15	Cradle to gate	Yes	No
29302	Modules & Polymers Exteriors	17	Cradle to gate	Yes	No

LCA calculation methodologies have been established within each category reported in the table above, with some specific representative product family LCAs already completed within each of the categories listed. The % revenues indicated are for the relevant product families with each category.

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.

Products produced by Motherson do not pose any significant risk, socially or environmentally during their working lifespan. All products produced by Motherson include material identification codes that allow for potential EOL recycling where applicable. We do not use any hazardous materials.

Name of Product /Service	Description of the risk / concern	Action Taken
None	None	None

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	
	FY 22 Current Financial Year	FY 21 Previous Financial Year
	-	-

The company is actively working to increase the use of recycled or re-used material in its products in alignment with customers and with the overall objective of reducing the product carbon footprint (PCF), reducing waste and increasing the level of economic circularity, however, it does not currently have the ability to report this on a consolidated basis.

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:

	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	N/A	N/A	N/A	N/A	N/A	N/A
E-waste	N/A	N/A	N/A	N/A	N/A	N/A
Hazardous waste	N/A	N/A	N/A	N/A	N/A	N/A
Other waste	N/A	N/A	N/A	N/A	N/A	N/A

Not applicable. Motherson directly supplies products to OEM customers as a B2B tier 1 supplier and is not yet operating a business model engaged in end of life recovery of products. We work closely aligned with our OEM customers to support their needs and evolving objectives with respect to end of life recyclability of our products & components supplied to them.

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 % of total products sold in respective category		
None	N/A	N/A	N/A

Not applicable, see note for question 4 above.

#### 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	% of Employees covered by											Other Benefits**	
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits*		Paternity Benefits*		Day Care Benefits			
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	Number	%
<b>Permanent Employees</b>													
Male	18,862	13,082	69%	10,306	55%	475	3%	6,020	32%	844	4%	794	4%
Female	3,598	3,422	95%	2,591	72%	2,198	61%	261	7%	727	20%	664	18%
Total	22,460	16,504	73%	12,897	57%	2,673	12%	6,281	28%	1,571	7%	1,458	6%
<b>Other than Permanent Employees</b>													
Male	297	186	63%	231	78%	2	0.67%	166	56%	121	41%		
Female	103	57	55%	56	54%	54	52%	37	36%	35	34%		
Total	400	243	61%	287	72%	56	14%	203	51%	156	39%		

There are also a significant number of employees and workers that are covered by categories outside of the standard list provided covering various circumstances including.

- Providing mothers of school-aged children a partial day off intermittently for attendance of child school activities.
- Job-share for parents (primarily females) embarking on partial return to work after childbirth.
- Various additional levels of insurances such as dental plans, unemployment and retirement insurances, various meal/canteen subsidy schemes and employee assistance programs primarily aimed at mental health and support.

\*Paternity for female and maternity for male data is showing because some countries have to give access for females to paternity leave and males to maternity leave due to privacy, gender protection issues, per legislation.

\*\*Other Benefit Details:- Include Dental Insurance, Vision Insurance, Critical Illness Insurance, Hospital Insurance, Voluntary Life Insurance.

This metric is shown for the employees receiving these benefits out of the total pool of eligible employees mentioned in section A and coverage thereof.

b. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Benefits	
		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	13,178	7,328	56%	5,625	43%	754	6%	5,922	45%	2,846	22%
Female	6,267	4,039	64%	2,873	46%	2,549	41%	881	14%	3,911	62%
Total	19,445	11,367	58%	8,498	44%	3,303	17%	6,803	35%	6,757	35%
<b>Other than Permanent Workers</b>											
Male	24,564	21,460	87%	1,221	5%	106	0%	669	3%	740	3%
Female	19,870	17,583	88%	431	2%	17,577	88%	103	1%	309	2%
Total	44,434	39,043	88%	1,652	4%	17,683	40%	772	2%	1,049	2%

This metric is shown for the employees receiving these benefits out of the total pool of eligible employees mentioned in section A and coverage thereof.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%		Y	100%		Y
Gratuity	100%		Y	100%		Y
Employee State Insurance	100%		Y	100%		Y
Others, please specify	-		N/A	-		N/A

Numbers reported are inclusive of both employee and worker categories on a standalone SAMIL India basis.

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, whether any steps are being taken by the entity in this regard.

Our premises and offices have intentional accommodations/adaptations to create accessibility for differently-abled employees and workers per the requirements of the Rights of Persons with Disabilities Act, 2016 and similar sets of legislation across our global footprint. These varied accommodations made include provision of graded ramps for access/egress, elevators for ascent, special disability access toilets, allocation of parking proximal to entry points, barrier-free entry to buildings, and other adaptations on a case-by-case basis, such as special desk or office equipment.

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

The Code of Conduct of Motherson is available at <https://www.motherson.com/storage/Group-Policies/Code-of-conduct-for-Employees.pdf>. Clause 3.7 of Code of Conduct provided that "Equal Employment Opportunity: The Motherson Group provides equal opportunity and inclusion for all those associated with it, through its policies and practices."

Motherson Inclusion and Diversity Policy is also available at <https://www.motherson.com/storage/Group-Policies/Inclusion-and-Diversity-Policy.pdf>.

Motherson has adopted HUMAN RIGHTS PRINCIPLES at <https://www.motherson.com/storage/Group-Policies/Human-Rights-Principles-Statement.pdf>. The said principles provides as under: "No Discrimination or Harassment- Motherson does not tolerate any kind of harassment, discrimination or unwarranted disadvantage. Employees of Motherson must not be disadvantaged, harassed or favoured on the grounds of their skin colour, nationality, language, ethnic or social origin, age, gender, religion, political or other beliefs, disability, or sexual orientation. Any form of harassment which occurs during, in respect of, or as a result of the work being carried out is not tolerated by Motherson. Equal treatment of all employees is one of Motherson's fundamental principles. Motherson allows employees to communicate openly with management regarding management practices without fear of retaliation, intimidation or harassment."

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work	Retention Rate	Return to work rate	Retention Rate
Male	93.50%	90.80%	92.70%	89.60%
Female	96.50%	94.30%	98.40%	95.00%
Total	95.50%	93.10%	96.00%	92.70%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than permanent workers	Yes
Permanent Employees	Yes
Other than permanent employees	Yes

Across Motherson, there exists various mechanisms for the receipt and redressal of grievances. A selection of these mechanisms includes multiple pathways for submission of employee suggestions in the form of portals, physical boxes, as well as schemes and KPIs to encourage the employee voice. Employee disciplinary matters have an appeal process in some combination of policy/procedure, collective agreements, industry awards, and union processes. Employee engagement, satisfaction, opinion, and pulse surveys have relevant prompts for employee inputs. Performance appraisal processes prompt the employee to provide direct feedback and rate their satisfaction, as well as period post-appraisal to work with human resource in case of disagreement with the assessment. Many and varied working groups have been established to discuss employee matters such as, but not limited to, employee consultative, union-management, health and safety, canteen, and welfare



committees. Underpinning all of this is the human resources function itself which acts as internal due diligence to impartially investigate and fact-find any employee grievance. There also exist mechanisms for anonymous or private submissions to a receiving email address and/or telephone number. The role of the trade unions, where they are present, is visible for any grievance resolution. In Motherson we have a practice of an open-door policy for employees and senior management whereby all employees, irrespective of their role or working level in the organisation, have access to senior management. Additionally, we have an embedded Whistle-Blower Policy as a formal platform for the confidential sharing and consequent investigation of grievances. Finally, Motherson has a policy on prevention, prohibition, and redressal of sexual harassment at the workplace. Many of the Indian units have an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Members of the Corporation's ICC are responsible for conducting inquiries pertaining to such complaints.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Total employees/workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	12,947	2,570	20%	-	-	-
Males	10,108	2,070	20%	-	-	-
Females	2,839	500	18%	-	-	-
Total Permanent Workers	25,929	15,940	61%	-	-	-
Males	14,131	8,603	61%	-	-	-
Females	11,798	7,337	62%	-	-	-

The company follows its policies to respect and uphold the freedom of association and right to collective bargaining of any and all employees. The dataset (A) represents the total number of people that operate in geographies/jurisdictions where unions exist and dataset (B) represents total number of people who are part of association(s) or Union in such geographies/jurisdictions. We do not have this information for the prior fiscal year.

8. Details of training given to employees and workers:

Category	FY 22 Current Financial Year					FY 21 Previous Financial Year				
	Total (A)	On Health & Safety measures		On Skill Upgradation		Total (D)	On Health & Safety measures		On Skill Upgradation	
		No. B	% (B/A)	No. C	% C/A		No. E	% (E/D)	No. F	% (F/D)
<b>Employees</b>										
Male	21,319	9,459	44%	11,095	52%	11,654	6,722	58%	9,238	79%
Female	4,823	2,475	51%	2,819	58%	3,223	2,042	63%	2,586	80%
Total	26,142	11,935	46%	13,914	53%	14,877	8,764	59%	11,824	79%
<b>Workers</b>										
Male	54,744	36,284	66%	33,154	61%	42,149	10,508	25%	20,847	49%
Female	47,678	29,590	62%	27,601	58%	33,917	7,224	21%	12,606	37%
Total	102,422	65,874	64%	60,755	59%	76,066	17,732	23%	33,452	44%

The data presented for current fiscal year is representation of 85% of Motherson. Like wise the data set presented in the previous fiscal year is covering 77% of Motherson.

9. Details of performance and career development reviews of employees and worker:

Category	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Total A	No. B	% (B/A)	Total C	No. D	% (D/C)
<b>Employees</b>						
Male	20,993	17,848	85%			
Female	4,697	3,689	79%			
Total	25,690	21,537	84%			
<b>Workers</b>						
Male	24,458	15,454	63%			
Female	22,998	19,418	84%			
Total	47,456	34,872	73%			

This is relevant for permanent employees and workers. The level of engagement is variable due to the different practices and methodologies applying across the markets and locations, and the turnover levels resulting in performance and development reviews not being applicable within any particular year. Commonisation of performance and career development methodologies under review. Data for prior fiscal year is not available.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?

Yes, the majority of Motherson's operations have implemented a health and safety management system in the form of certification to ISO45001. There are alternative health and safety management systems that exist which largely map to the ISO standard. Additionally, we have external accreditation with ISO14001 which form part of integrated management systems, which also has some substantive cross over to our health and safety outcomes. For many locations not formally certified to the external standard, there is a shadow internal system which replicates the ISO standard. Beyond this, Motherson works to the very high standard of FM Global as a primary global insurer, specifically noted for operational risk including fire management systems and the volume of associated safety standards and work practices.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We proactively engage in hazard and risk identification and assessment. This is achieved through a varied approach of safety inspection walks, scheduled risk assessments, regular inspections, monthly and quarterly audits, review of hazard identification and risk assessment inputs and focussed aspect/impact activities. From an equipment and plant perspective, we do regular and scheduled preventative maintenance and pre-work/start-up/production risk assessments. Incidents are investigated with progressive escalation to management, focussed on root cause analysis and risk control.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

There is a system for submission of hazard reports for all employees/workers, for resolution. Health and safety committees are an additional platform for review and resolution of hazards and risks identified. Additionally, hazards are identified in the incident, accident and near-miss investigation reports, and also through the various systems for submission of hazard identification report with a focus on shop floor workers.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes, employees and workers have a variety of access points across Motherson. From tie-ups with panel hospitals, to on-site medical professionals such as doctors, nurses and/or physiotherapists, to access all medical services via either public, private, or state health insurance.

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

Safety Incident/Number	Category	FY 22 Current Financial Year	FY 21 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.5	0.87
	Workers	0.58	1.03
Total recordable work-related injuries	Employees	177	205
	Workers	78	120
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	2	2
	Workers	0	1

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

At a top level the established health and safety management systems provide a framework for addressing the assurance of a healthy and safe workplace. The overall approach starts with active involvement of shop floor workers up to members of management. There are various programs focussed on hazard identification and risk assessment, on an ad hoc, programmed and pre-activity basis. Health and safety committees exist with participation of workers, employees, and management to discuss the control of hazards and risks, programs for health and wellbeing, planning for emergency response, and a focus on compliance to local regulation – alongside management systems. Additional measures include wellness initiatives, medical check-ups, workplace audits, cooperation of global health and safety leaders with local plant health and safety specialists and managers, and a raft of floor-based safety control measures to mitigate the likelihood and consequence of any latent hazard risk from manifesting.

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

	FY 22 Current Financial Year			FY 21 Current Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	269	164		426	113	
Health & Safety	29	1		129	0	

The pending cases are work in progress, risk assessments and rectification. The group is actively working on closures of these cases.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Working Conditions	98.10%
Health & Safety	98.40%

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

The corrective actions implemented are varied and commensurate to the specific nature of hazards and risks identified. The summary of key activities considers safety control mechanisms (following the conventional hierarchy of controls), with priority on elimination and substitution of risk. From there the most impactful category is re-engineering risk, which has a large and direct effect on machinery, including guarding, auto-stop, light-curtains, sensors, and various safeguards built into the plant and machinery. Beyond these we have traffic management plans, utilisation of safety alerts for lessons-learned from root causes of incident and serious near misses, updating of safe work instructions/procedures and/or modification to plant and machinery, training programs, signage, and protective equipment to serve as additional administrative controls for safeguarding

employees and workers. To counterbalance to obligation Motherson has to its employees for ensuring a healthy and safe working environment, we also hold employees accountable for breaches in health and safety policy and procedure and safety golden rules that exist.

#### LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, across Motherson we have a significant number of the locations where we do business that make provision for life insurance or compensatory packages in case of death of employees or workers. The means by which these manifest does vary. In many locations there are life insurance or life assurance schemes, in various forms. These schemes vary from being run directly by Motherson as the employer, to being a benefit within the various retirement vehicles Motherson engages with such as pension, 401K, superannuation schemes, to being part of employer liability insurance, publicly available or mandated insurance, or other available schemes. Whilst there is a variety of forms, most locations across Motherson provision this. An example of the hazard identification and risk assessment process operating across Motherson was the robust activity following the onset of the COVID-19 pandemic. The group ensured that robust protocols and systems were implemented to ensure that employee health was put at the forefront.

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

Not applicable

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Employees	10	8	9	6
Workers	19	19	13	16

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)

Motherson has provided various levels of transitional support for continued employability and general transition out of employment. However, there is no defined policy for this as we take a best fit, decentralised approach to ensure we meet the needs of the local context. Such schemes would not exist in the majority of the locations where we do business and/or be evoked upon the needs of the business at the time it is required.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	N/A
Working Conditions	N/A

We conduct a business audit prior to engaging with any supplier and all such points are assessed onsite. We then periodically assess our suppliers to ensure they are operating up to the Motherson standards. Consolidated information is not currently available for audit assessments carried out during the reporting period.

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.

We regularly assess our suppliers to ensure that they adhere to adequate health and safety standards and working conditions in their business.



**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**ESSENTIAL INDICATORS**

- Describe the processes for identifying key stakeholder groups of the entity.  
The key stakeholder groups for the entity are well known based on many years of an established enterprise serving the needs of customers, investors, shareholders and the communities in which we are present in cooperation with our suppliers and partners. Listings of all key stakeholders are maintained and amended based upon the development of the entity and its subsidiaries resulting from the deployment of the 3CX10 strategy and the vision to be a preferred sustainable solutions provider to our customers.
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Othe	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Internal web portal, employee newsletters, posters and notice boards	Weekly, daily	Safety, professional growth of employees, wellbeing, training and awareness
Customers	No	Meetings, events, technology shows, online portals, website	Weekly, daily	Current and future business management, sustainable improvements
Partners	No	Meetings, events, online portals, website	Weekly	Identification and coordination of mutual opportunities, sustainable improvements
Suppliers	No	Meetings, events, online portals, website	Weekly	Scope 3 decarbonization, social and governance responsibilities across the value chain
Community	No	CSR report, local community engagements via events, charities, open days	Monthly	Identifying and addressing needs and vulnerabilities if any and Mother's role in improvements
Investors/ Shareholders	No	As Needed: Press releases and press conferences, email advisories, facility visits, in-person meetings, investor conferences, conference calls	Quarterly. Financial statements, earnings call, exchange notifications, press conferences	<ul style="list-style-type: none"> <li>Educating the investor community about company integrated value creation model and business strategy for the long term.</li> <li>Helping investors voice their concerns regarding company policies, reporting, strategy, etc.</li> <li>Understanding shareholder expectations.</li> </ul>

**LEADERSHIP INDICATORS**

- 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.  
Delegated to multiple interaction points with stakeholder groups. The feedback is shared with the board through board meetings and sustainability sub-committees of the board.
- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (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. Multiple responsible representatives of the group interact with stakeholders on a continuous basis providing input to the materiality assessment process of the organizations. Defined material topics are reviewed on an annual basis for management processes, risk assessment and strategic objectives.
- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.  
Not applicable

**PRINCIPLE 5: Businesses should respect and promote human rights**

**ESSENTIAL INDICATORS**

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

Category	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Total A	No. of employees/workers covered (B)	% (B/A)	Total C	No. of employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	25,690	13,067	51%	-	-	-
Other than permanent	452	296	65%	-	-	-
Total Employees	26,142	13,363	51%	-	-	-
<b>Workers</b>						
Permanent	47,456	30,643	65%	-	-	-
Other than permanent	54,966	4540	8%	-	-	-
Total Employees	102,422	35,183	34%	-	-	-

Formal Human Rights principles policy was duly adopted by board and deployed in the group in 2021. We are therefore not able to provide training data for the previous year. However, we have trained our employees on human rights principles as it is part of our Code of Conduct.

2. Details of minimum wages paid to employees and workers, in the following format: (Details mentioned in pdf as to what does it includes)

Category	FY 22 Current Financial Year					FY 21 Previous Financial Year				
	Total (A)	Equal Minimum Wage to		More than Minimum Wage		Total (A)	Equal Minimum Wage to		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	15,995	791	4.9%	15,204	95.1%	-	-	-	-	-
Male	13,063	744	5.7%	12,319	94.3%	-	-	-	-	-
Female	2,932	47	1.6%	2,885	98.4%	-	-	-	-	-
Other than permanent	273	27	9.9%	246	90.1%	-	-	-	-	-
Male	206	19	9.2%	187	90.8%	-	-	-	-	-
Female	67	8	11.9%	59	88.1%	-	-	-	-	-
<b>Workers</b>										
Permanent	33,847	2234	6.6%	31,613	93.4%	-	-	-	-	-
Male	18,095	1160	6.4%	16,935	93.6%	-	-	-	-	-
Female	15,752	1074	6.8%	14,678	93.2%	-	-	-	-	-
Other than permanent	45,732	17467	38.2%	28,265	61.8%	-	-	-	-	-
Male	24,790	9648	38.9%	15,142	61.1%	-	-	-	-	-
Female	20,942	7819	37.3%	13,123	62.7%	-	-	-	-	-

The data presented for current fiscal year is representation of 75% of the defined reporting boundary of Motherson group. We don't have split data for prior fiscal year at consolidated level so no data is presented for FY 20-21

3. Details of remuneration/salary/wages, in the following format:

Fig. in INR

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)*	Distribution provided below			
a. Executive Directors	1	32,963,780	-	N/A
b. Non-Executive Director - Non-Independent Directors	4	Nil	-	N/A
c. Non-Executive Independent Directors	4	3,292,500	1	3,885,000
Key Managerial Personnel	2	23,885,598	N/A	N/A
Employees other than BoD and KMP	3,223	585,294	238	505,716
Associates	6,953	212,400	1,951	180,226

\* The information provided hereinabove pertains to such directors, who were the members of the Board of Directors of the Company as on March 31, 2022.

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

Regional Corporate (Chairman's) Offices are responsible for implementation and administration of grievances related to human rights issues, as set forth in the Code of Conduct for employees.

At Motherson, we stand for the welfare of our employees and are committed to fostering a culture of mutual trust among them. Our core values are governed by a sense of accountability towards our people. The principles to achieve this outcome are enshrined in our Human Rights Policy, which also reinforces the position established in our Code of Conduct. For any specific suspected breaches, we have a Whistle-Blower Policy and procedure to engage a third party for initial contact, investigation, and resolution-facilitation, which are complemented by additional anonymous channels for submission of concerns.

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

Reference to HUMAN RIGHTS PRINCIPLES at <https://www.motherson.com/storage/Group-Policies/Human-Rights-Principles-Statement.pdf>. Clause 3.1 of the said principles provides as under: "Motherson recognizes the requirements of the international principles referred in Section 1.3 of these Principles based on a human rights due diligence process and will monitor effectiveness through such process, involving an internal analysis of implications within the business units by integrating the topic into its existing risk assessment system, in order to fulfil its duty of diligence with regard to human rights. Human rights due diligence process will assess actual and potential human rights impacts by consultation with potentially affected groups and other relevant stakeholders, will be integrating and acting upon the findings from impact assessments across relevant internal functions, tracking responses based on appropriate qualitative and quantitative indicators, communicating how impacts are addressed externally. The process will identify, prevent, mitigate and account for how Motherson addresses human rights issues by building a solid and sustainable approach."

There is a variety of approaches and processes that exist across Motherson's footprint to align to local needs and requirements. These processes complement the Motherson Whistle-Blower Policy and include, but are not limited to various anonymous submission platforms that span email accounts, phone numbers, mobile apps, web portals and physically drop boxes. There exists working group committees that span focus areas such as health/safety, employee representation, anti-sexual harassment, grievance-handling, works council, union-management, consultative, canteen, welfare, etc., which sit alongside of formal complaints resolution procedures. This broad array of approaches demonstrates a breadth and depth focus on ensuring that local approach is aligned to local requirements.

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

	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	1	Enquiry proceedings have been completed and further steps are being taken	2	0	-
Discrimination at workplace	5	7	-	3	3	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages <sup>1</sup>	69	562	-	69	566	-
Other human rights related issues <sup>2</sup>	24	168	-	95	149	-



<sup>1</sup>The majority of the active claims the Entity reports in this BRSR are wage-related due to the fact that the laws in some countries provide that current and former employees have little risk in filing claims for compensation. The case counts reported are as a percentage of the headcount for these subsidiaries of the entity, at between 1 & 1.5%.

<sup>2</sup>The other human rights related issues in few jurisdictions pertain to workers' matters at manufacturing units, such as, misconduct by workmen, enquiry conducted by the management and external third party claims etc.

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

Motherson has a PREVENTION OF HARASSMENT POLICY available at <https://www.motherson.com/storage/Group-Policies/Prevention-of-Harassment-Policy.pdf>. Para 6.1 of the above policy, inter-alia, provides "This Policy strictly prohibits the retaliation or victimisation of an Aggrieved Person who seeks redressal against an act of Harassment/ Sexual Harassment. If any complaint regarding Harassment/ Sexual Harassment is found to be true by the Reporting Authority, then appropriate remedial action shall be taken as prescribed in paragraph 7 of this Policy." Reporting Person's identity is kept confidential and no retaliation is permitted pursuant to the Code of Conduct of Employees and Whistle-Blower Policies.

The Motherson Group holds a 'zero tolerance' practice for any kind of harassment at work and we set each person responsible for ensuring their actions and behaviours are free of any kind of harassment. The foundation for the prevention of harassment is the Motherson Prevention of Harassment Policy, itself. In this policy each entity within Motherson is charged with establishment of a complaints committee for the receipt, investigation, submission of findings and coordination of appropriate actions for each submitted case, handled with strict confidentiality to the fullest extent possible. Any retaliation or victimisation of an aggrieved person is strictly prohibited. This policy and procedure is complemented by additional local regulatory requirements relating to retaliation and victimisation.

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

Yes

9. Assessments for the year:

	% of your 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
Others – please specify	100

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

While no specific claim on its own is deemed to be significant, local management continually assesses its internal processes. Some modifications that have been implemented by certain companies over the reporting period of this BRSR include firming up employment separation procedures to more clearly communicate the process to the employee, improving employee training as to their rights and obligations related to employment in their respective jurisdictions, and analysis of employment contracts to ensure continued compliance with local regulations.

#### LEADERSHIP INDICATORS

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

Introduction and deployment of Whistle-Blower policy <https://www.motherson.com/storage/Group-Policies/Whistle-blower-Policy.pdf>

2. Details of the scope and coverage of any human rights due-diligence conducted.

We complete necessary due diligence process as and when any claim is raised in accordance with our Human Rights Principles policy.

Please refer to responses to questions 5 to 9 above

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 and offices have intentional accommodations/adaptations to create accessibility for differently-abled employees and workers per the requirements of the Rights of Persons with Disabilities Act, 2016 and similar sets of legislation across our global footprint. These varied accommodations include provision of graded ramps for access/egress, elevators for ascent, special disability access toilets, allocation of parking proximal to entry points, barrier-free entry to buildings, and other adaptations on a case-by-case basis, such as special desk or office equipment.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	N/A
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

Declaration of adherence to the Supplier Code of Conduct on the above is obtained from the value chain partners as part of their contract. The contracts are not renewed or they are terminated in case of non-adherence to the Code of Conduct agreed upon. However the data is currently not tracked in a manner that it can be reported for this fiscal year. <https://www.motherson.com/storage/Group-Policies/supplier-code-of-conduct-22.pdf>

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

Not Applicable

#### 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	FY 22 Current Financial Year	FY 21 Previous Financial Year
Total electricity consumption (A)	3,211,191 GJ	2,722,981 GJ
Total fuel consumption (B) Diesel	84,378 GJ	57,523 GJ
Energy consumption through other sources (C) Gas	1,267,461 GJ	1,179,283 GJ
Total energy consumption (A+B+C)	4,563,030 GJ	3,959,787 GJ
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	7.6 GJ/INR million	7.5 GJ/INR million
Energy intensity (optional) – the relevant metric may be selected by the entity No Independent assessment/evaluation/assurance has been carried out by an external agency.		

No Independent assessment/evaluation/assurance has been carried out by an external agency.

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? (Y/N) 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**

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

Parameter	FY 22 Current Financial Year	FY 21 Previous Financial Year
<b>Parameter</b>		
Water withdrawal by source (in kilolitres)		
(i) Surface water	88,572	25,164
(ii) Groundwater	9,15,275	7,89,101
(iii) Third party water	18,98,227	18,52,252
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	29,02,074	26,66,517
Total volume of water consumption (in kilolitres)	29,02,074	26,66,517
Water intensity per rupee of turnover (Water consumed / turnover)	4.8 kilolitres/INR million	5.1 kilolitres/INR million
Water intensity (optional) - the relevant metric may be selected by the entity		

No Independent assessment/evaluation/assurance has been carried out by an external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

**No**

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

*Only GHG emissions are emitted, and almost entirely CO2. The burning of the diesel in generators emits some NOx (<40kgs) and some CH4 (<200kgs) as per GHG standard calculations*

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

Air emissions (other than GHG emissions) are not captured on a consolidated basis in the reporting year.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 22 Current Financial Year	FY 21 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)"	Metric tonnes of CO2 equivalent	67,582	61,974
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)"	Metric tonnes of CO2 equivalent	2,97,851	2,70,570
Total Scope 1 and Scope 2 emissions per rupee of turnover		607 T/INR million	630 T/INR million
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity			

No Independent assessment/evaluation/assurance has been carried out by an external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Group is targeting a reduction in its GHG emissions in three ways, with different combinations at site level depending upon geographical location and opportunity:

- Progressively reviewing, and then implementing wherever possible, renewable energy sources such as PV panels
- Switching to renewable energy contracts for grid supplied electricity
- Actively monitoring and becoming more efficient in its energy usage

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

Parameter	FY 22 Current Financial Year	FY 21 Previous Financial Year
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>	17,258	21,396
E-waste <b>(B)</b>	83	
Bio-medical waste <b>(C)</b>	0	0
Construction and demolition waste <b>(D)</b>	0	0
Battery waste <b>(E)</b>	0	0
Radioactive waste <b>(F)</b>	0	0
Other Hazardous waste. Please specify, if any. (G) Solvent based waste, oils, and general batteries	9,734	3,997
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) General non hazardous waste Food Packaging Water based paint Metals		Full data not available
	22,665 994 9,677 1,385 8,506	
<b>Total (A+B + C + D + E + F + G+ H)</b>	70,302	
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category A : FY22 14,446 tonnes		FY21 15,355
Category B : FY22 83 tonnes		
Category G : FY22 0 tonnes		
Category H: FY22 17,401 tonnes		FY21 Full data not available
<b>Category of waste</b>		
(i) Incineration		
(ii) Landfilling	38,372	
(iii) Other disposal operations		
<b>Total (we do not yet have a split between incineration and landfill as available data)</b>	38,372	

No Independent assessment/evaluation/assurance has been carried out by an external agency.

Established process to capture this data was not in place for FY21



9. 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.

Waste is generated both from production processes as well as general operational activity - including maintenance and catering.

At every site, production waste is monitored and reported on a monthly basis with the objective to minimise and reduce wherever possible. Any production waste produced is kept clearly segregated from general waste and is recycled wherever possible.

General waste is always segregated between hazardous and non-hazardous materials, and is always disposed of in accordance with local legislation. What materials may be recycled using locally available facilities is appropriately done so.

For our business, the concept of hazardous really only applies to using some oil or solvent based products - whether related to production (painted parts), or maintenance (oils and degreasers). Some chemicals will be used in our water treatment facilities.

10. 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:

Not applicable

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
	N/A	N/A	N/A

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
MIND IT PARK, Plot No 004 Sector 156 Noida, U.P. 201301	File No 6902/ Proposal No. SIA/UP/ MIN/244915/2021	26/11/2021	External Agency	NOC awaited	<a href="http://environmentclearance.nic.in/proposal_status_state.aspx?pid=ClosedEC&amp;statename=Uttar+Pradesh#">http://environmentclearance.nic.in/proposal_status_state.aspx?pid=ClosedEC&amp;statename=Uttar+Pradesh#</a> ; <a href="http://environmentclearance.nic.in/">http://environmentclearance.nic.in/</a>

12. 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 (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A

## LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 22 Current Financial Year	FY 21 Previous Financial Year
<b>From renewable sources</b>		
Total electricity consumption (A)	739,291 GJ	425,481 GJ
Total fuel consumption (B) Biodiesel	8,833 GJ	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	748,125 GJ	425,481 GJ
<b>From non-renewable sources</b>		
Total electricity consumption (D)	2,471,899 GJ	2,297,500 GJ
Total fuel consumption (E) Diesel	75,545 GJ	57,523 GJ
Energy consumption through other sources (F) Gas	1,267,461 GJ	1,179,283 GJ
Total energy consumed from non-renewable sources (D+E+F)	3,814,905 GJ	3,534,307 GJ

No Independent assessment/evaluation/assurance has been carried out by an external agency.

2. Provide the following details related to water discharged:

Parameter Kilolitres	FY 22 Current Financial Year	FY 21 Previous Financial Year
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	79,430	-
- No treatment		
- With treatment - please specify level of treatment	To local regulatory requirements	
(ii) To Groundwater	0	0
- No treatment		
- With treatment - please specify level of treatment		
(iii) To Seawater	0	0
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties	28,22,644	-
- No treatment (to sewer)	22,71,236	-
- With treatment - please specify level of treatment	5,51,408	-
(v) Others		
- No treatment		
- With treatment - please specify level of treatment		
Total water discharged (in kilolitres)	29,02,074	-

No Independent assessment/evaluation/assurance has been carried out by an external agency.

Established process to capture this data was not in place for FY21, however, all wastewater is discharged in line with local regulatory requirements

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

The company is well aware of the need for water preservation and is progressively instigating measures for reducing water consumption and applying water harvesting. Water withdrawal and consumption data is recorded at each unit and consolidated at a country level. The company is reviewing all operating sites in India in accordance with the ground water assessment table 2020 published by the CGWB in order to be able to report specifically in relation to those sites located in areas of water stress.

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

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

Parameter	FY 22 Current Financial Year	FY 21 Previous Financial Year
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

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

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 22 Current Financial Year	FY 21 Previous Financial Year
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

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. **N**

Comprehensive Scope 3 emissions data and intensity information is not yet available. Motherson is actively working on collecting this information across all of the 15 categories (as defined within the GHG protocol) which have a material relevance to the Group in order to accurately report its Scope 3 emissions position, but particularly within the category of raw materials, and alongside the primary raw materials that we use, there is a significant amount and variety of third party sub-assemblies procured which form part of our finished assembled products and for which data is not yet available.

5. With respect to the ecologically sensitive areas reported at Question 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.

Not applicable

6. 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:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	N/A	N/A	N/A
	N/A	N/A	N/A
	N/A	N/A	N/A

Each operating unit will have its own priorities based upon its current levels of emissions, geographic location and impact benefit.

Initiatives that have been undertaken within the past two years include implementing rainwater harvesting; switching electricity contract supply to renewable energy sources; implementing PV installations on site; waste reduction and improved monitoring, segregation and recycling.

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

Every operating unit within the consolidated entity completes its own business continuity and disaster management plan based on the perceived potential risks and impacts that could affect the facility, and how that facility working within its geography would be able to continue to meet its customers' requirements based upon the specific products and services provided.

Risk management within the Group is now being extended to include longer term potential environmental and social risks (ref TCFD framework).

8. 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.

None known at this time, increased supply chain due diligence processes under progressive implementation.

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

No consolidated information available



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

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive component manufacturers association of India	National
2	Federation Of Indian Export Organisation	National
3	Confederation Of Indian Industries	National
4	The Associated Chambers of Commerce & Industry of India	National
5	Society Of Indian Automobile Manufacturers	National
6	Motor & equipment manufacturers association	National
7	Federation Of Indian Chamber Of Commerce	National
8	HDMA(Heavy Duty Manufacturer Association)	National
9	Export promotion council for EOU & SEZ's	National
10	Noida Management Association	State

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

Mother'son has a guidance note for its associate for anti competition and anti trust practices. These are available at <https://www.motherson.com/storage/Group-Policies/Competition-and-Anti-trust-Guidance-Note.pdf>. There are no current adverse orders from regulatory authorities and therefore no corrective action is taken or underway at this time.

Name of authority	Brief of the case	Corrective action taken
N/A	N/A	N/A

**LEADERSHIP INDICATORS**

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

Mother'son does not conduct public policy advocacy. We do not support any specific political party of any jurisdiction and do not have any political affiliation. This is clearly stated in our Code of conduct. [https://www.motherson.com/storage/list-directory-items/copy\\_code\\_of\\_conduct.pdf](https://www.motherson.com/storage/list-directory-items/copy_code_of_conduct.pdf)

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
	N/A	N/A	N/A	N/A	N/A

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**ESSENTIAL INDICATORS**

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

There are no Social Impact Assessments applicable for the reporting year.

Name and brief details of the 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
-	-	-	-	-	-
-	-	-	-	-	-

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

There are no projects ongoing for which Rehabilitation and Resettlement are being undertaken in the reporting year.

S. No.	Name of Project for which R&R is going	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

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

Mother'son has INCLUSION AND DIVERSITY POLICY available on its website at <https://www.motherson.com/storage/Group-Policies/Inclusion-and-Diversity-Policy.pdf>. To prevent instances of discrimination and to receive and effectively deal with complaints pertaining to the same, the above policy, inter-alia, provides for a complaint committee, inquiry process and action to be taken.

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

	FY 22 Current Financial Year	FY 21 Previous Financial Year
Directly sourced from MSMEs/ small producers	7.43%	6.71%
Sourced directly from within the district and neighboring districts	The Company sources most of the components from nearby vendors	

The percentage of input material directly sourced from MSMEs / small producers is on SAMIL standalone basis. This information is not available at a consolidated level for the entire group.

**LEADERSHIP INDICATORS**

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

Not applicable

Details of negative social impact identified	Corrective action taken
Sexual Harassment	N/A
Discrimination at workplace	N/A
Child Labour	N/A

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)
1	Uttarakhand	Haridwar	164,823,882

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) **No**  
 (b) From which marginalized /vulnerable groups do you procure?  
 (c) What percentage of total procurement (by value) does it constitute?

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

We do not have any income from Intellectual Property

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A

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.

No such cases in the reporting year.

Name of authority	Brief of the Case	Corrective action taken
N/A	N/A	N/A
N/A	N/A	N/A

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Contribution of Oxygen Generation Plant (Covid-19)	20000+	30%
2	Multiple Sclerosis Society Of India, Delhi Chapter (MSSI)	40	100%
3	World Wide Fund for Nature - India (WWF)	N/A	N/A
4	Hemkunt Foundation (For Covid-19 relief activities)	2222+	100%
5	Olympic Gold Quest (OGQ)	247	65%
6	Rainwater Harvesting Project - Auroville	30000+	90%
7	Old Age Home -ESF	500+	100%
8	Segregation of Organic Waste for Recycling & Treatment (S.O.R.T)	40000+	35%
9	Skill Development Centre	700+	100%
10	Clean Ganga	N/A	N/A
11	WASHE Project - NCR	500+	100%
12	Education Project - Aya Nagar School	400+	100%
13	WASHE Ambathan	200+	100%
14	WASHE Chirhada	200+	100%

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
15	WASHE Kiwale	200+	100%
16	WASHE Malavali	100+	100%
17	PM Cares	N/A	N/A
18	WASHE - Kanchipuram	500+	100%
19	Digital Transformation Vehicle	1120	100+
20	Krish Sustainable Habitat (ISKCON) i-reefer	1300+	85%
21	Social Emotional Learning Program - Labhya Foundation	1100+	100%
22	WASHE - Mulkhed	100+	100%

#### PRINCIPLE 9 Businesses 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.

The Company has a robust system for addressing customer complaints. The customer cases filed against the Company for defects in the vehicles or relating to sales are not significant in number compared with annual sales volume.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

Mother'son's products conform to our customers specifications and regulatory requirements, including labelling and identification as necessary for safe and responsible use or for end of life recycling and safe disposal. Tracking systems to be able to report the proportion of revenues covered by this are not available for FY22.

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

	FY 22 Current Financial Year		Remarks	FY 21 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	N/A	N/A	N/A	N/A	N/A	N/A
Advertising	N/A	N/A	N/A	N/A	N/A	N/A
Cyber-security	N/A	N/A	N/A	N/A	N/A	N/A
Delivery of essential services	N/A	N/A	N/A	N/A	N/A	N/A
Restrictive Trade Practices	N/A	N/A	N/A	N/A	N/A	N/A
Unfair Trade Practices	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A

Mother'son is a tier 1 supplier to automotive OEMs. As a B2B business we do not have any direct interaction with the end consumer and do not receive any such complaints



## Planet supplementary key indicators

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

	Number	Reasons for recall
Voluntary recalls	0	No recalls
Forced recalls	0	No recalls

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.

The DATA PROTECTION POLICY is available at <https://www.motherson.com/storage/Group-Policies/Data-Protection-Policy.pdf>. Also, the link for RISK MANAGEMENT POLICY is [https://www.motherson.com/storage/list-directory-items/copy\\_risk\\_management\\_policy.pdf](https://www.motherson.com/storage/list-directory-items/copy_risk_management_policy.pdf). The Risk Management policy provides that "The Board of Directors of the Company has constituted a Risk Management Committee, to inter-alia, assist the Board with regard to the identification, evaluation and mitigation of strategic, operational, external environment and cyber security risks and in fulfilling its corporate governance oversight responsibilities.

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.

In consultation with relevant stakeholders, the corrective measures for an isolated cyber incident were effectively implemented to strengthen the security controls across technology layers.

### LEADERSHIP INDICATORS

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

Motherson group website. <https://www.motherson.com/>

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

Motherson provides products and services to customers as a B2B tier 1 supplier in accordance with customer specifications and compliance to any relevant regulations.

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

Motherson provides products and services to customers as a B2B tier 1 supplier in accordance with customer specifications and compliance to any relevant regulations.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) **NO** If yes, provide details in brief.

Did your entity carry out any survey with regard to consumer 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) **NO**

Motherson provides products and services to customers as a B2B tier 1 supplier in accordance with customer specifications and compliance to any relevant regulations.

5. Provide the following information relating to data breaches: -

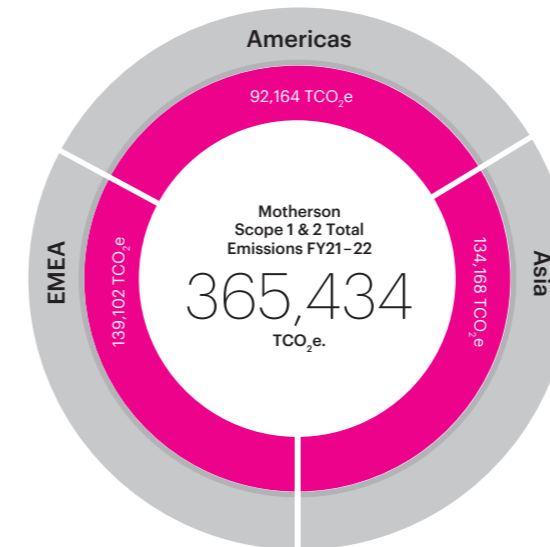
- Number of instances of data breaches along-with impact - 1 instance of relatively minor impact and effective resolution actions taken.
- Percentage of data breaches involving personally identifiable information of customers - None

### Safe Harbour

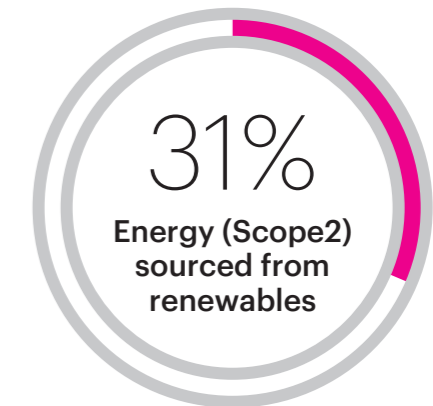
The company has taken reasonable steps and made best efforts to collect and compile data for publication of BRSR. The Company and its subsidiaries, joint ventures, associates have presence in 41 countries with 269 number of manufacturing locations and 36 number of other facilities, aggregating to 305 number of locations. Accordingly, preparation of first BRSR, required collection of substantial, voluminous and diverse data. All due care has been exercised in preparation and presenting this report and wherever data was not available in the structure from, i.e. as per the defined reporting parameters, best estimates have been used. The Company and/or its subsidiaries etc. may not be held responsible or liable for any inadvertent / unintentional error in compilation of data or in such estimates. The contents of BRSR are for information purposes and for personal non-commercial use.

## 01 Scope 1 & 2 Emissions Breakdown FY21-22 (TCO<sub>2</sub>e)

● Motherson operating region ● Regional Scope 1 & 2 values

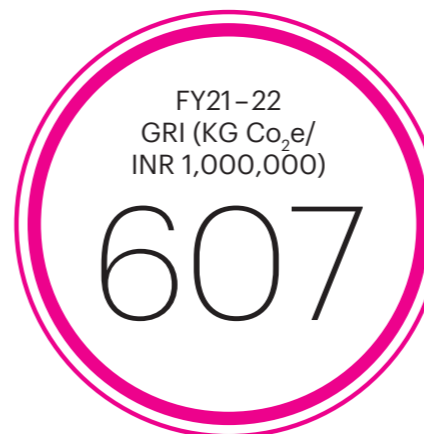


## 03 Percentage of renewable energy across Motherson sites in India

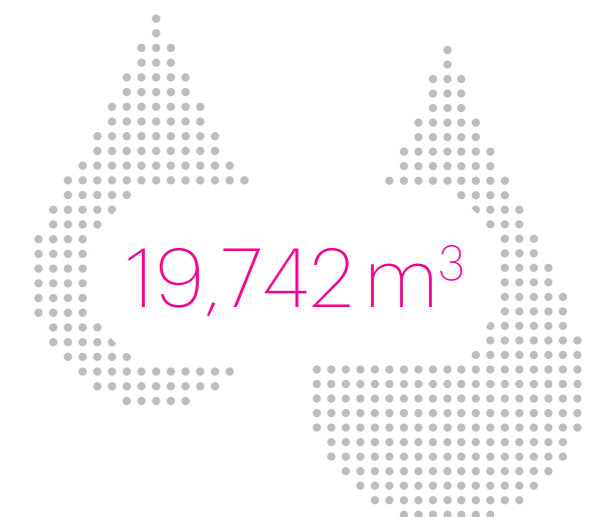


FY21-22

## 02 GRI Intensity



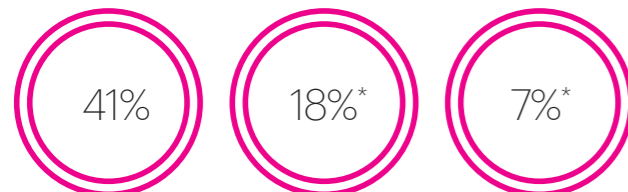
## 04 Average water consumption by site



The environmental quantitative data is representative of 85% coverage for FY 2021-22

## People supplementary key indicators

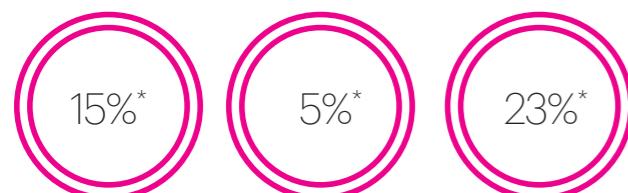
### 01 Diversity and inclusion



41% Share of women in total workforce

18%\* Share of women in all management positions

7%\* Share of women in top management



15%\* Share of women in junior management

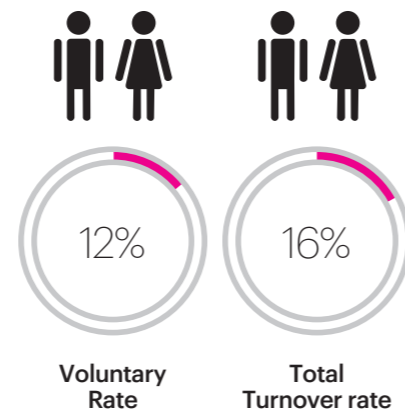
5%\* Share of women in management positions in revenue-generating functions

23%\* Share of women in STEM-related positions

\* Above data sub-categories have been subject to re-classification and therefore may not be directly comparable to previous reporting.

The social quantitative data is representative of 85% coverage for FY 2021-22

### 02 Turnover rate



12% Voluntary Rate

16% Total Turnover rate



Number of people hired FY21-22.

17,534



Average Training hrs per FTE.  
(excluding agency workers)

31

## BOARD'S REPORT

To the Members,

Your Directors have the pleasure in presenting the 35<sup>th</sup> Annual Report together with the audited financial statements of the Company for the financial year ended March 31, 2022. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### FINANCIAL RESULTS

The summarized financial results for the year ended March 31, 2022 and for previous year ended March 31, 2021 are as follows:

₹ in Million

Particulars	Standalone		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Continuing Operations</b>				
Revenue from contract with customers	52,970	36,353	628,317	569,513
Other operating revenue	478	339	7,043	4,186
<b>Revenue from operations</b>	<b>53,448</b>	<b>36,692</b>	<b>635,360</b>	<b>573,699</b>
Other Income	7,114	1,104	4,957	2,293
<b>Profit before depreciation, interest and tax</b>	<b>13,132</b>	<b>5,511</b>	<b>49,571</b>	<b>45,882</b>
Less: Depreciation and amortization expense	2,042	1,983	29,582	29,260
Less: Finance Costs	1,411	897	5,426	5,115
Less: Exceptional Expenses	481	199	481	623
Add: Share of profit / (loss) in associates	-	-	160	849
<b>Profit Before Tax from continuing operations</b>	<b>9,198</b>	<b>2,432</b>	<b>14,242</b>	<b>11,733</b>
Less: Provision for Tax	1,202	491	6,069	(694)
Less: Minority Interest	-	-	3,077	5,302
<b>Profit after tax from continuing operations</b>	<b>7,996</b>	<b>1,941</b>	<b>5,096</b>	<b>7,125</b>
<b>Discontinued Operations</b>				
Revenue from operations	39,735	41,382	39,735	41,382
Other income	207	275	207	275
<b>Profit before tax from discontinued operations</b>	<b>4,846</b>	<b>4,396</b>	<b>4,846</b>	<b>4,396</b>
Tax expenses	1,204	1,129	1,204	1,129
<b>Profit after tax from discontinued operations</b>	<b>3,642</b>	<b>3,267</b>	<b>3,642</b>	<b>3,267</b>
<b>Total Profit from continuing and discontinued operations</b>	<b>11,638</b>	<b>5,207</b>	<b>8,738</b>	<b>10,392</b>
Add: Balance brought forward	32,951	27,725	81,102	70,642
Profit available for appropriation	44,589	32,932	89,840	80,184
Other Comprehensive income from continuing operations	284	(227)	2,218	3,227
Other Comprehensive income from discontinued operations	(22)	(8)	(22)	(8)
<b>Total other Comprehensive income from continuing and discontinued operations</b>	<b>262</b>	<b>(235)</b>	<b>2,196</b>	<b>3,219</b>



The Composite Scheme of Amalgamation and Arrangement amongst your Company ('the Amalgamated Company'), Samvardhana Motherson International Limited ('the Amalgamating Company') and Motherson Sumi Wiring India Limited ('the Resulting Company') and their respective shareholders and creditors meet the criteria prescribed in Ind AS 105 (Non-current Assets Held for Sale and Discontinued Operations) was considered as discontinued operation.

Accordingly, Domestic Wiring Harness Business has been disclosed as discontinued operation in the financial results for the F.Y. ended March 31, 2022.

The profit available for appropriation for the year ended March 31, 2022 is INR 44,589 million and being carried over as surplus to the Profit & Loss Account as on March 31, 2022.

#### DIVIDEND

The Directors are pleased to recommend for approval of the members a payment of dividend of Re. 0.65 (Sixty Five Paise only) per share (face value of Re. 1/- each) on the Share Capital of the Company for the financial year ended March 31, 2022 to the equity shareholders.

The dividend, if approved by the members, would involve total cash outflow on account of dividend of INR 2,936 Million resulting in a pay-out of 37% of the standalone profits of the Company and 58% of the consolidated profits of the Company.

#### IMPACT OF COVID-19 ON PERFORMANCE AND OPERATIONS

The Group's operations have been impacted partially in the periods presented by the outbreak of the COVID-19 pandemic and the consequent lockdown announced by the governments in many of the jurisdictions.

Rating	ICRA	CRISIL	India Ratings and Research
Long Term	ICRA AA+ Stable (Reaffirmed)	CRISIL AA+/Stable (Reaffirmed)	IND AAA/ Stable
Short Term	ICRA A1+ (Reaffirmed)	CRISIL A1+ (Reaffirmed)	IND AAA / Stable / IND A1+
Commercial Papers	ICRA A1+ (Reaffirmed)	CRISIL A1+ (Reaffirmed)	IND A1+
Non-Convertible Debentures	-	CRISIL AA+	IND AAA / Stable

Standard & Poor's Global Ratings ("S&P") has revised its rating for Samvardhana Motherson Automotive Systems Group B.V., Netherlands (SMRP BV), a subsidiary of the Company, for its long term credit from 'BB+' to 'BB'.

The details of the credit ratings of the Company are available on its website [www.motherson.com](http://www.motherson.com).

#### OPERATIONS AND PERFORMANCE

On consolidated basis for the financial year 2021-22, your Company achieved total revenue from operations of INR 635,360 million as compared to the revenue of INR 573,699 million of the previous financial year ended March 31, 2021 from continuing operations. Net profit for the financial year is at INR 5,096 million as compared to the previous year's net profit of INR 7,125 million.

On standalone basis for the financial year 2021-22, your Company achieved total revenue from operations of INR 53,448 million as compared to its total revenue of INR 36,692 million of the previous financial year ended March 31, 2021 from continuing operations. The profit after tax for the year ended March 31, 2022 is INR 7,996 million as compared to INR 1,941 million of the previous financial year ended March 31, 2021. The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report.

The Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") is presented in a separate section forming part of the Annual Report.

#### CREDIT RATING

Moody's Investor services has revised and improved the Rating Outlook to 'Stable' from 'Negative' while affirming the Ba1 corporate family rating (CFR) to the Company in April 2021.

In addition, the Company enjoys following domestic ratings:

#### FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from public covered under Chapter V of the Companies Act, 2013, and as such, no amount on account of principal or interest on deposits from public was outstanding or remained unclaimed or unpaid lying with the Company, as on the date of the balance sheet.

There are no deposits invited or accepted by the Company which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

#### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and Ind AS 110 – Consolidated Financial Statements read with Ind AS 28 – Investments in Associates, Ind AS 31 – Interests in Joint Ventures and Ind AS 116 – Leases, the audited consolidated financial statement is provided in the Annual Report.

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

#### MATERIAL DEVELOPMENTS DURING THE FINANCIAL YEAR 2021-22

The Board of Directors of your Company at its meeting held on July 2, 2020, approved the composite Scheme of Amalgamation and Arrangement amongst your Company ("the Amalgamated Company"), Samvardhana Motherson International Limited ("the Amalgamating Company") ("erstwhile SAMIL") and Motherson Sumi Wiring India Limited ("the Resulting Company") ("MSWIL") and their respective shareholders and creditors ("the Scheme").

The Scheme, *inter-alia*, had provided to (A) demerge the Domestic Wiring Harness Undertaking or DWH Undertaking (as defined in the Scheme) into the Resulting Company and (B) amalgamate the Amalgamating Company with the Company, by absorption, subsequent to the completion of the demerger referred to in (A). Further, the Scheme was subject to receipt of necessary Statutory and Regulatory approvals under applicable laws including but not limited to approval of BSE Limited and National Stock Exchange of India Limited, approval of requisite majority of the shareholders and creditors of the Company and Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT").

The Scheme was approved by the Hon'ble NCLT by way of its order dated December 22, 2021. Pursuant to the Scheme, the Domestic Wiring Harness Undertaking or DWH Undertaking (as defined in the Scheme) of the

Company has been demerged into MSWIL with effect from January 5, 2022 and erstwhile SAMIL has merged with and into the Company with effect from January 21, 2022.

Accordingly, the Equity Shareholders of the Company were issued and allotted 1 (one) Equity Share of face value of Re. 1 (Indian Rupee One) each of MSWIL for every 1 (one) Equity Share of face value of Re. 1 (Indian Rupee One) each of the Company as a consideration for demerger.

Further, in consideration of the amalgamation of erstwhile SAMIL into and with the Company, the Company issued and allotted 51 (Fifty One) equity shares of the Company of Re. 1 each (Rupee One only) for every 10 (Ten) equity shares of erstwhile SAMIL of face value of Rs. 10 each (Rupees Ten only) to the shareholders of erstwhile SAMIL.

#### CAPITAL STRUCTURE AND LISTED NCDs

Pursuant to the Scheme, the authorised share capital of the Company has increased from INR 630,00,00,000/- (Rupees Six Hundred Thirty Crores only) consisting of 605,00,00,000 (Six Hundred Five Crore) Equity Shares of Re. 1/- (Rupee One) each and 2,50,00,000 (Two Crore Fifty Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each to INR 1230,00,00,000 (Rupees One Thousand Two Hundred and Thirty Crores) consisting of 1230,00,00,000 (One Thousand Two Hundred and Thirty Crores) Equity Shares of Re. 1/- (Rupee One) each.

Further, the details of paid up share capital of the Company prior and post the Scheme are as below:

Sl. No.	Particulars	Share Capital (in INR)
1.	Paid- up Share Capital prior allotment (A)	3,15,79,34,237
2.	Cancellation of cross-holding consequent to the merger (B)	1,05,57,50,653
3.	(A-B) (C)	2,10,21,83,584
4.	Allotment of shares pursuant to the Scheme (D)	2,41,54,30,660
5.	Paid-up Share Capital post allotment (C+ D)	4,51,76,14,244

Accordingly, as on March 31, 2022, the paid-up share capital of the Company was INR 451,76,14,244/- (Rupees Four Hundred Fifty One Crores Seventy Six Lakhs Fourteen Thousand Two Hundred and Forty Four only) consisting of 451,76,14,244 (Four Hundred Fifty One Crores Seventy Six Lakhs Fourteen Thousand Two Hundred and Forty Four only) Equity Shares of Re. 1/- (Rupee One) each.

During Financial year 2021-22, the Company has raised funds, *inter-alia*, by issue of Non-Convertible Debentures ("NCDs") on a private placement basis. The key terms of issuance of NCDs are as below:

A) NCDs allotted on November 25, 2021

Series I:

Instrument	5.69% Unsecured Rated Listed Redeemable Non-Convertible Debenture
Amount Raised	INR 250 Crores
Face Value	INR 10,00,000/- each
Number of Securities	2,500
Maturity Date	November 25, 2024
Interest Payment	5.69% Annually (Payable on November 25, 2022, November 25, 2023 and November 25, 2024)
End Use	The proceeds to be utilized for refinancing of existing indebtedness and/or other bonafide business purposes including capital expenditure, operating expenses and/or working capital.
Credit Rating	IND AAA/ Stable by India Ratings and Research Private Limited
ISIN	INE775A08055
Listed on Stock Exchange	BSE Limited

Series II:

Instrument	6.09% Unsecured Rated Listed Redeemable Non-Convertible Debenture
Amount Raised	INR 515 Crores
Face Value	INR 10,00,000/- each
Number of Securities	5,150
Maturity Date	November 25, 2026
Interest Payment	6.09% Annually (Payable on November 25, 2022, November 25, 2023, November 25, 2024, November 25, 2025 and November 25, 2026)

End Use	The proceeds to be utilized for refinancing of existing indebtedness and/or other bonafide business purposes including capital expenditure, operating expenses and/or working capital.
Credit Rating	IND AAA/ Stable by India Ratings and Research Private Limited
ISIN	INE775A08063
Listed on Stock Exchange	BSE Limited

B) NCDs allotted on December 8, 2021

Instrument	Rated, Listed, Unsecured, Redeemable Non-Convertible Debentures
Amount Raised	INR 235 Crore
Face Value	INR 10,00,000/- each
Number of Securities	2350
Maturity Date	December 8, 2024
Interest Payment	5.68% Annually (Payable on December 8, 2022; December 8, 2023 and December 8, 2024)
End Use	The proceeds to be utilized for refinancing of existing indebtedness and/or other bonafide business purposes including capital expenditure, operating expenses and/or working capital.
Credit Rating	IND AAA by India Ratings and Research Private Limited
ISIN	INE775A08071
Listed on Stock Exchange	BSE Limited

During the Financial year 2021-22, the Company has raised funds by issue of Commercial Papers, key terms of which are as below:

A) Commercial Paper issued on September 24, 2021

Instrument	Listed, Unsecured Commercial Paper
Issue Size	INR 100 Crore
Maturity Date	December 24, 2021
Interest Rate	3.70%
ISIN	INE775A14764
Listed on Stock Exchange	BSE Limited

The above Commercial Paper was repaid on the maturity date.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

The details of changes in Company's subsidiaries, joint venture or associate companies, are as following:

1. Companies which became subsidiaries (direct and indirect) during financial year 2021-22 are as follows:

(a) Subsidiary through incorporation:

Jilin Huakai - PKC Wire Harness Co. Ltd. was incorporated on March 11, 2022 in China as an indirect subsidiary of the Company.

(b) Subsidiary through acquisition:

(i) Samvardhana Motherson Automotive Group B.V., Netherland, an indirect subsidiary of the Company, acquired 75% stake in Plast Met Plastik Metal Sanayi Imalat ve Ticaret Anonim Sirketi on April 29, 2021. SMR Plast Met Mold and Tools Turkey Kalip Imalat Anonim Sirketi has become indirect subsidiary of the Company.

(ii) Samvardhana Motherson Automotive Group B.V., Netherland, an indirect subsidiary of the Company, acquired 75% stake in Plast Met Plastik Metal Sanayi Imalat ve Ticaret Anonim Sirketi on April 29, 2021. SMR Plast Met Automotive Tec Turkey Plastik Imalat Anonim Şirketi has become indirect subsidiary of the Company.

(iii) Ningbo SMR Huaxiang Automotive Mirrors Ltd, a step down subsidiary of Samvardhana Motherson Automotive

Systems Group B.V., an indirect subsidiary of the Company, acquired 60% stake in Nanchang JMCG Mekra Lang Vehicle Mirror Co., Ltd. on October 8, 2021. Accordingly, Nanchang JMCG Mekra Lang Vehicle Mirror Co., Ltd has become an indirect subsidiary of your Company.

(c) Subsidiary pursuant to merger:

Samvardhana Motherson International Limited ('erstwhile SAMIL') merged with the Company effective from January 21, 2022. Accordingly, upon merger of erstwhile SAMIL, below mentioned subsidiaries of erstwhile SAMIL had become the subsidiaries of Company:

- (i) CTM India Limited
- (ii) Motherson Molds and Diecasting Ltd.
- (iii) Motherson Innovations Tech Ltd.
- (iv) Motherson Invenzen XLab Private Limited
- (v) Motherson Consultancies Service Limited
- (vi) MS Global India Automotive Private Limited
- (vii) Samvardhana Motherson Auto Component Pvt. Ltd.
- (viii) Motherson Air Travel Agencies Limited
- (ix) Samvardhana Motherson Maadhyam International Limited
- (x) Motherson Technology Services Limited (formerly MothersonSumi Infotech & Designs Limited) (MTSL)
- (xi) Samvardhana Motherson Global Carriers Limited (SMGCL)
- (xii) Samvardhana Motherson Hamakyorex Engineered Logistics Limited (Subsidiary through SMGCL)
- (xiii) Samvardhana Motherson Finance Service Cyprus Limited
- (xiv) Samvardhana Motherson Holding (M) Private Limited
- (xv) Samvardhana Motherson Innovative Solutions Limited (SMISL)
- (xvi) Samvardhana Motherson Refrigeration Product Limited (Subsidiary through SMISL)



- (xvii) Motherson Machinery and Automations Limited (Subsidiary through SMISL)
- (xviii) Samvardhana Motherson Auto System Private Limited (Subsidiary through SMISL)
- (xix) SAKS Ancillaries Limited (Subsidiary through SMISL)
- (xx) Motherson Auto Solutions Limited (through SMISL)
- (xxi) Motherson Techno Tools Limited (MTTL) (Subsidiary through SMISL)
- (xxii) Motherson Techno Tools Mideast FZE (Subsidiary through MTTL)
- (xxiii) Motherson Sintermetal Technology B.V. (Subsidiary through SMISL)
- (xxiv) Samvardhana Motherson Virtual Analysis Limited (Subsidiary through MTSL)
- (xxv) MSID US Inc. (Subsidiary through MTSL)
- (xxvi) MothersonSumi Infotech & Designs KK (Subsidiary through MTSL)
- (xxvii) MothersonSumi Infotech and Designs S.G. Pte. Limited (Subsidiary through MTSL)
- (xxviii) Motherson Auto Engineering Service Limited (Subsidiary through MTSL)
- (xxix) Samvardhana Motherson Health Solutions Limited (Subsidiary through MTSL)
- (xxx) SMI Consulting Technologies Inc. (Subsidiary through MTSL)
- (xxxi) Motherson Infotek Designs Mid East FZ-LLC (Subsidiary through MTSL)
- (xxxii) Motherson Infotech and Solutions UK Ltd (Subsidiary through MTSL)
- (xxxiii) Motherson Information Technologies Spain S.L.U. (Subsidiary through MTSL)

2. Companies which ceased to be subsidiaries during financial year 2021-22 are:

- (i) SMRC Smart Automotive Interior Technologies USA, LLC, an indirect subsidiary of your Company has been dissolved effective from June 28, 2021; and
- (ii) SMP Automotive Technology Management Services (Changchun) Co. Ltd., an indirect subsidiary of your Company has been deregistered effective from May 8, 2021.

3. Companies which became joint venture during financial year 2021-22 are:

Also, upon merger of erstwhile SAMIL, below mentioned joint ventures of erstwhile SAMIL had become joint ventures of Company:

- (i) Valeo Motherson Thermal Commercial Vehicles India Ltd.
- (ii) Matsui Technologies India Ltd. (Matsui)
- (iii) Frigel Intelligent Cooling Systems India Pvt. Ltd. (Joint Venture through Matsui)
- (iv) Fritzmeier Motherson Cabin Engineering Pvt. Ltd.
- (v) Marelli Motherson Automotive Lighting India Private Limited
- (vi) Marelli Motherson Auto Suspension Parts Private Limited
- (vii) Motherson Bergstrom HVAC Solution Pvt. Ltd
- (viii) Youngshin Motherson Auto Tech Limited
- (ix) Anest Iwata Motherson Private Ltd.
- (x) Anest Iwata Motherson Coating Equipment Pvt. Ltd.
- (xi) Nissin Advanced Coating Indo. Co. Pvt. Ltd.
- (xii) AES (India) Engineering Limited

In accordance with section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and all of its subsidiaries, associate and joint venture companies form part of the Annual Report.

Further, a statement containing salient features of the financial statement of the Company's subsidiaries, associate and joint venture companies is annexed in Form AOC-1, which forms a part of the Annual Report.

Details of subsidiaries of the Company, their performance are covered in Management Discussion and Analysis Report forming part of this Report.

### EXPORTS FROM INDIA

The Company's exports during the year were INR 11,733 million as against INR 8,375 million in the previous financial year from continuing operations. The Company continues to make its efforts towards achieving higher growth by providing cost competitive quality solutions to its customers. In addition, the Company has facilities globally, to provide service to the customers as well as enhance customer relationships.

### NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met eight (8) times during the financial year 2021-22 and the details of same are given in the Corporate Governance Report forming part of this Annual Report. The intervening gap between two consecutive meetings was not more than one hundred and twenty (120) days as prescribed by the Companies Act, 2013 and the Listing Regulations.

### DIRECTORS

During the financial year 2021-22, following were the changes in the Board of Directors of the Company:

- 1) Change in director due to cessation / resignation:
  - i) Mr. S.C. Tripathi, IAS (Retd.) (DIN: 00941922) ceased to be an Independent Director on the Board of the Company with effect from May 19, 2021 due to his sad demise. He was a visionary and an industry stalwart, managing diverse roles across various industries in his long career.
  - ii) Mr. Takeshi Fujimi (DIN: 08501292) resigned and thus ceased to be a Director from the Board of the Company effective from January 4, 2022.
  - iii) Mr. Arjun Puri (DIN: 00211590) resigned and ceased to be an Independent Director of the Company effective from January 28, 2022 simultaneously upon his appointment as an Independent Director on the Board of Directors of MSWIL.
  - iv) Ms. Geeta Mathur (DIN: 02139552) resigned and ceased to be an Independent Director of the Company effective from January 28, 2022 simultaneously upon her appointment as an Independent Director on the Board of Directors of MSWIL.
- 2) Change in director due to appointment:
  - i) Ms. Rekha Sethi (DIN: 06809515) was appointed as an Additional and an Independent Director by the Board of Directors in its meeting held on August 10, 2021 for a period of 5 (five) years commencing from August 10, 2021 to August 9, 2026. The appointment of Ms. Rekha Sethi as an Independent Director was approved by the shareholders of the Company in 34<sup>th</sup> Annual General Meeting held on September 17, 2021.
  - ii) Mr. Norikatsu Ishida (DIN: 09443998) was appointed as an Additional Director, liable to retire by rotation by the Board of Directors

in its meeting held on January 4, 2022. The appointment of Mr. Norikatsu Ishida as a non-executive Director, liable to retire by rotation was approved by the shareholders of the Company in their Extra-Ordinary General Meeting held on March 30, 2022.

- iii) Mr. Veli Matti Ruotsala (DIN: 09462008) was appointed as an Additional and an Independent Director by the Board of Directors in its meeting held on January 28, 2022 for a period of 5 (five) years commencing from January 28, 2022 to January 27, 2027. The appointment of Mr. Veli Matti Ruotsala as an Independent Director was approved by the shareholders of the Company in their Extra-Ordinary General Meeting held on March 30, 2022.
- iv) Mr. Robert Joseph Remenar (DIN: 09469379) was appointed as an Additional and an Independent Director by the Board of Directors in its meeting held on January 28, 2022 for a period of 5 (five) years commencing from January 28, 2022 to January 27, 2027. The appointment of Mr. Robert Joseph Remenar as an Independent Director was approved by the shareholders of the Company in their Extra-Ordinary General Meeting held on March 30, 2022.

As per provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Laksh Vaaman Sehgal (DIN: 00048584), Director of the Company, is liable to retire by rotation in the ensuing AGM. Mr. Laksh Vaaman Sehgal being eligible seeks his re-appointment. Accordingly, the Board of Directors recommend the re-appointment of Mr. Laksh Vaaman Sehgal to the members of the Company.

### STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

The Board of Directors has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations. The Board is of the opinion that they are the persons of integrity and possesses relevant expertise and experience.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the

purpose of attending meetings of the Board of Directors, Committee(s) and meeting of the Independent Directors. The details of remuneration and/ or other benefits of the Independent Directors are mentioned in the Corporate Governance Report.

#### AUDIT COMMITTEE

The Audit Committee of the Board for the financial year ended March 31, 2022 was comprised of Mr. Gautam Mukherjee as Chairman, Mr. Naveen Ganzu, Ms. Rekha Sethi, Mr. Veli Mati Ruotsala as Independent Directors and Mr. Shunichiro Nishimura, Mr. Laksh Vaaman Sehgal as non-executive directors. During the year all the recommendations made by the Audit Committee were duly accepted by the Board.

#### COMMITTEES OF BOARD

Details on Committees constituted by the Board under the Companies Act, 2013 and the Listing Regulations, their composition as well as changes in their composition, if any, during the year and the number and dates of meetings of such committees held during the year are covered in Corporate Governance Report which forms part of the Annual Report for the Financial Year 2021-22.

#### KEY MANAGERIAL PERSONNEL

In terms of the provisions of section 203 of the Companies Act, 2013, during the financial year under review the Company had following whole-time Key Managerial Personnel:

1. Mr. Pankaj Mital, Whole-time Director and Chief Operating Officer
2. Mr. G.N. Gauba, Chief Financial Officer upto January 28, 2022
3. Mr. Kunal Malani, Chief Financial Officer effective from January 28, 2022
4. Mr. Alok Goel, Company Secretary

#### MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THIS REPORT

- (a) The Board of Directors of the Company in its meeting held on October 8, 2021 had approved acquisition of 55% stake in CIM Tools Private Limited ("CIM"). Further, the shareholders of the Company through Postal Ballot on December 3, 2021 granted their approval by way of a special resolution to make investment and/ or provide loan / guarantee in excess of the limits prescribed under Section 186 of the Companies Act, 2013. The closing of said transaction was completed by the Company on April 6, 2022 CIM in turn holds

83% in Aero Treatment Private Limited (ATPL) and 49.99% in Lauak CIM Aerospace (JV with Lauak International, LCA).

- (b) The Scheme of Amalgamation and Arrangement as mentioned hereinabove duly approved by Hon'ble NCLT had, *inter-alia*, provided for change in name of the Company from 'Motherson Sumi Systems Limited' to 'Samvardhana Motherson International Limited'. The Registrar of Companies approved the change in name of the Company with effect from May 18, 2022 and issued fresh Certificate of Incorporation. Further, the Stock Exchanges, i.e., National Stock Exchange of India Limited and BSE Limited granted their approval to the name change on June 3, 2022 and accordingly, the name and SCRIP ID / Symbol of the Company changed to "Samvardhana Motherson International Limited" and "MOTHERSON" respectively with effect from June 9, 2022.

#### BOARD EVALUATION

In terms of the requirement of the Companies Act, 2013 and Listing Regulations, the Board carried out an annual evaluation of its own performance, Board Committees, individual Directors including the Independent Director and the Chairman of the Company on the basis of the criteria specified as per the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India with the aim to improve the effectiveness of the Board and the Committees.

The criteria for evaluation under different categories depends on the role the person(s)/group(s) plays in the Company. The criteria for every evaluation for the FY 2021-22 was decided at every level depending on the functions, responsibilities, competencies required, nature of business etc., detailed as below:

Person(s)/ Group(s)	Evaluation Criteria
Chairman of the Company	Leadership, steering skills, impartiality, commitment, ability to keep shareholder's interest in mind etc.
Board	The board composition and structure, meetings of the Board, effectiveness of board processes and its functions, monitoring effectiveness of Governance practices, evaluation of performance of management and providing their feedback etc.

Person(s)/ Group(s)	Evaluation Criteria
Committees of the Board	The composition of Committees, structure of Committees, effectiveness of Committee meetings, independence of the Committees from the Board, contribution to the decisions of the Board etc.
Executive/ Non-Executive/ Independent Director(s)	Criteria for all type of Directors-qualification, experience, knowledge and competencies, fulfilment of functions, commitment and their participation and contribution at the Board meetings and Committee meetings etc.  Additional criteria in case of Independent Directors, i.e., independent from the Company and other Directors, providing independent views and judgement.

In a separate meeting of Independent Directors held during the financial year 2021-22, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive Directors and non-executive Directors. The Independent Directors at their meeting held also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year, Board Evaluation was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Evaluation of the Directors. The exercise was led by the Chairman of the Board whereby the process involved independent discussions with all Board members who gave their feedback and inputs about the performance of the Board, its Committees, Individual Directors, and the Chairman of the Company and effectiveness of the Board/Committee processes.

It was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities and deliberations in the Board and Committee Meetings. It was also noted that the Committees are functioning well and all important issues are brought up and discussed in the Committees as per its terms of reference as mandated by law.

In the Board Meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Directors being evaluated.

#### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee constituted under the provisions of section 178(1) of the Companies Act, 2013, recommended to the Board of Directors of your Company, a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. The said policy as approved by the Board of Directors, is uploaded on the Company's website at [www.motherson.com](http://www.motherson.com). The extract of the said Policy is also covered in Corporate Governance Report which forms part of this Report.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) That in preparation of the annual accounts for the financial year ended March 31, 2022, the applicable Accounting Standards have been followed and there are no material departures;
- (b) That the Directors have selected appropriate Accounting Policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2022 and of the profit of the Company for that period;
- (c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the Directors have prepared the annual accounts on a going concern basis;
- (e) That the Directors have laid down internal financial controls to be followed by the Company and that



such internal financial controls are adequate and are operating effectively; and

- (f) That the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

As per section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 30<sup>th</sup> AGM approved the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/IE300005), as the Statutory Auditors of the Company for a term of 5 (five) years, i.e., from the conclusion of 30<sup>th</sup> Annual General Meeting ('AGM') till the conclusion of ensuing 35<sup>th</sup> AGM of the Company. M/s. S. R. Batliboi & Co. LLP, Chartered Accountants are eligible for re-appointment.

The Company has received confirmation from the Statutory Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

The Board is of the opinion that continuation of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company will be in the interests of the Company and therefore, the members are requested to consider their re-appointment as Statutory Auditors of the Company, for a term of five years, from the conclusion of the ensuing 35<sup>th</sup> AGM, till the conclusion of 40<sup>th</sup> AGM to be held in the calendar year 2027, at such remuneration mutually agreed and approved by the Board.

The notes on the financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Auditors Report annexed with this Annual Report, does not contain any qualification, reservation or adverse remarks.

During the Financial Year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

### Cost Auditor

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records have been prepared and maintained by the Company for the financial year 2021-22.

As per recommendation of the Audit Committee, the Board of Directors has appointed M/s. M.R. Vyas & Associates, Cost and Management Accountants (Registration No. 101394) as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2021-22.

During the Financial Year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

### Secretarial Auditor

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. SGS Associates, Company Secretaries (CP No. 1509) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2022.

The Report given by the Secretarial Auditor is annexed herewith and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the Financial Year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

## AWARDS & RECOGNITIONS

During the year, the Company had received various awards and recognitions, which have been described in "Awards and Recognition" section, forming part of the Annual Report.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans given, Investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by recipient are provided in the standalone financial statement. Please refer Note No. 6(a), 6(b) and 7 to the standalone financial statements.

## PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

Pursuant to the provision of applicable Listing Regulations, all related party transactions are placed before the Audit Committee for approval including the transaction under section 188 of the Companies Act, 2013 and Regulation 23 of Listing Regulations. Prior omnibus approval of the Audit Committee has been obtained for transactions which are foreseen and repetitive in nature and where the need for related party transaction cannot be foreseen, Audit Committee granted omnibus approval for such transactions having value upto rupees one crore per transaction. The transactions entered into pursuant to omnibus approval were presented to the Audit Committee on quarterly basis by way of a statement giving details of all related party transactions.

The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board and amended from time to time is uploaded on the Company's website.

Your Directors draw attention of the members to Note No. 40 to standalone financial statement which sets out related party disclosures.

## Approval of Related Party Transactions pursuant to SEBI Listing Regulations

The Securities and Exchange Board of India ("SEBI") notified SEBI (Listing Obligation and Disclosure Requirements) (Sixth Amendment) Regulation, 2021 on November 9, 2021 which were effective from April 1, 2022. The amended provisions of Regulation 23 of Listing Regulations defines a "material related party transaction" as transaction to be entered into individually or taken together with previous transactions during a financial year by the Company, which exceeds INR 1,000 crore or 10% of annual consolidated turnover of the listed entity, whichever is lower, as per last audited financial statements of the listed entity. Further, such "material related party transactions" require prior approval of shareholders.

In respect of above, the shareholders of the Company at its Extra-ordinary General Meeting held on March 30, 2022 granted their approval for entering into contract(s) / agreements(s) / arrangement(s) / transaction(s), between the Company and/or its subsidiaries and/or its joint ventures on the one hand, with following counter- parties:

- (1) Motherson Sumi Wiring India Limited; and
- (2) SEI Thai Electric Conductor Co., Ltd., Thailand for purchase of copper.

The shareholders of the Company in the said meeting had approved aforesaid related party transactions, as more particularly mentioned in the said notice for the meeting held on March 30, 2022 read with the explanatory statement attached thereto pursuant to section 102 of the Companies Act, 2013.

The Notice convening the said meeting along with the voting results can be viewed on the website of the Company at [www.motherson.com](http://www.motherson.com).

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure-B to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules (if any), is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Companies Act, 2013 the said annexure is open for inspection at the registered office of the Company during the working hours for a period of twenty-one days before the date of the AGM. Any member interested in obtaining a copy of the same may write to the Company.

#### CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of Annual Report and the requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

#### DISCLOSURE REQUIREMENT

##### **Business Responsibility and Sustainability Report:**

Securities and Exchange Board of India (SEBI) vide its circular dated May 10, 2021, made Business Responsibility and Sustainability Report (BRSR) mandatory for the top 1,000 listed companies (by market capitalization) from F.Y. 2022-2023, while disclosure is voluntary for F.Y. 2021-2022.

The Company on voluntary basis has provided BRSR, in lieu of the Business Responsibility Report which indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the shareholders to have an insight into environmental, social and governance initiative of the Company.

The BRSR describing the initiatives taken by your Company from an environmental, social and governance perspective, in the prescribed format is available as a separate section of the Annual Report.

##### **Dividend Distribution Policy:**

As per regulation 43A of the Listing Regulations, the extract of Dividend Distribution Policy of your Company is disclosed in the Corporate Governance Report and the said Policy is also uploaded on the Company's website.

#### LISTING OF EQUITY SHARES

The Equity shares of your Company are presently listed at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

NCDs issued and allotted by your Company are listed on BSE Limited (BSE).

The listing fees for the financial year 2022-23 has been paid to the said Stock Exchanges. The Company's equity shares continue to remain listed on NSE and BSE while its NCDs remain listed on BSE.

#### INTERNAL CONTROL

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit Reports are presented directly to the Chairman of the Audit Committee and its members.

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

#### RISK MANAGEMENT

The Board of Directors had constituted Risk Management Committee to assist the Board with regard to the identification, evaluation and mitigation of strategic, operational, external environment and cyber security risks and in fulfilling its corporate governance oversight responsibilities and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

On recommendation of the Risk Management Committee, the Board of Directors of your Company in their meeting held on November 10, 2020 adopted the amended Risk Management Policy for the Company. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis Report, which forms part of this report.

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the period under review, no such order is passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations other than the orders mentioned herein above.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of section 135 of the Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises of Mr. Vivek Chaand Sehgal Chairman, Ms. Rekha Sethi, Independent Director and Mr. Laksh Vaaman Sehgal, Non-Executive Director.

The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy). The Board of Directors in its meeting held on May 26, 2022 amended its CSR Policy considering the changes made by Ministry of Corporate Affairs. The amended CSR Policy is available on the website of the Company at [www.motherson.com](http://www.motherson.com).

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

The Company is, *inter-alia*, also performing CSR activities through Swarn Lata Motherson Trust which has been established for the sole purpose of CSR activities. Further, the Company continue to carry out CSR activities as specified under schedule VII to the Companies Act, 2013.

#### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism which incorporates a whistle blower policy in terms of the Companies Act, 2013 and the Listing Regulations for Directors and employees to report their genuine concerns. The objective of the Policy is to create a window for any person who observes an unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy (hereinafter "Unethical and Improper Practices"), either organizationally or individually, to be able to raise it and to provide for adequate safeguards against victimization of whistle blower and also to provide for direct access to the chairperson of the audit committee.

Thought Arbitrage Consultancy has been appointed by the Board of Directors as an independent external ombudsman under this Whistle-blower mechanism.

Protected Disclosure can be made by a Whistle Blower through an e-mail or dedicated telephone line or a letter to the Thought Arbitrage Consultancy or to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the Company's website at [www.motherson.com](http://www.motherson.com).

#### ANNUAL RETURN

In accordance with the provisions of Section 92(3) read with section 134(3)(a) of the Companies Act, 2013 and Rules framed thereunder, an annual return in the prescribed format for the financial year 2021-22 is available on the website of the Company at [www.motherson.com](http://www.motherson.com).

#### COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with the secretarial standards with respect to General and Board Meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980), and approved as such by the Central Government.

#### HUMAN RESOURCES

The relations with the employees and associates continued to remain cordial throughout the year. The Directors of your Company wish to place on record their appreciation for the excellent team spirit and dedication displayed by the employees of the Company.

#### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee composed of internal members and an external member who has extensive experience in the field.

During the Financial Year 2021-22, there was one complaint filed under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which after enquiry was found non-sustainable.

#### GREEN INITIATIVES

Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on



the Company's website [www.motherson.com](http://www.motherson.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The above are in compliance with General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2021 dated December 08, 2021 and General Circular No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs.

#### ACKNOWLEDGEMENT

Your Board of Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all the employees of the Company as well as customers, suppliers, bankers, investors and

other authorities. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

The Directors also thank the Government of various countries, Government of India, State Governments in India and concerned Government Departments/Agencies for their co-operation, support and look forward to their continued support in the future.

Last but not the least the Board of Directors wish to thank all the stakeholders of the Company and Sumitomo Wiring Systems Limited, Japan for their continuous support.

For and on behalf of the Board  
For Samvardhana Motherson International Limited  
(Formerly Motherson Sumi Systems Limited)

Vivek Chaand Sehgal  
Chairman  
DIN:00291126  
Place : Noida  
Date : July 4, 2022

#### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

##### A. Conservation of energy

(i) Steps taken or impact on conservation of energy:

The Company has constantly been emphasizing an optimization of energy consumption in every possible area in its units. Various avenues are being identified at periodic intervals and after careful analysis, measures are being initiated to minimize the consumption of energy by optimum utilization of energy consuming equipment. During the year under review, measures were initiated / adopted for conservation and optimize utilization of energy at various plants & units of the Company. Such measures are as below:

- Installed energy efficient High Velocity Low Speed fan on the shop floor assembly and dispatch areas for more efficiency and reduction in power consumption
- Started using factory built Modular tank instead of RCC heavy excavation and concreting tanks which results in cost saving and ease in maintenance
- Optimizing the heating of Injection Molding & Blow molding Machines by Just-In-Time Heating activation
- Switching UPS to Offline Mode on Sundays, Non-Production Days & Holidays
- Removal of extra lights while maintaining required lux level at Paint Store area
- Installation of Variable Frequency Drive (VFD) Based mixing mill for final rubber compound preparation with shell type cooling facility by Motherson Automotive Elastomers Technology, a division of the Company ('MAE')
- Installed entire top bay lights as LED lights instead of mercury lamp (MAE)
- Replacing conventional CFL light with energy saving LED lights on the shop floor / work stations etc.
- Installation of VFD and gravity based master batch preparation setup in the carbon master batch addition process
- Optimized air cooling and air conditioning systems for the plant areas using VFD and/or by installing Inverter AC and/or by running as per production plan
- Installed auto air cut-off valve for ultrasonic welding gun
- Usage of energy efficient motors
- Appropriate insulation to fix the compressed air leakages
- Energy efficient air cooling units by installing Variable Frequency Drive
- Switching off of main Transformer on Sundays, Non-Production Days & Holidays
- Servo driven pumping system retrofits to save the energy consumption of injection / blow molding machines
- Timer controls/ Motion sensors for lighting and Air Conditioning in closed rooms to switch on/off automatically whenever required.
- Installation of Air Booster in machines for optimum utilization of air compressor
- Water conservation measures to minimize water intake & consequent reduction in pumping extraction or direct water buying by installing level sensors in tanks and urinal sensors in toilets

- In new plants optimal design of Rain water harvesting is implemented which reduces the installation cost & better percolation efficiency and ease of maintenance
- Use of recyclable material and avoid building materials which involves tremendous use of energy while processing
- Continue to create awareness amongst team members on energy conservation through campaigns and events
- Conversion of Conventional Hydraulic pumps Circuit (Fixed Pump) to Servo Speed Pump Hydraulic Machines in shop floor by Motherson Automotive Technologies & Engineering, a division of the Company ('MATE')
- Air audit, regular study and air leakage arresting measures (MATE)
- Switching off the pneumatic air usage and air leak after general shift across SPM in assembly area (MATE)
- On/Off PLC Based timer installed in the area of office, canteen, shop floor office, QA Office & Street Lights
- Optimizing the Heating of Injection Molding & Blow molding machines by just-in-time heating activation

(ii) steps taken by the company for utilizing alternate source of energy:

- Installation of additional roof top Solar Plant in various units of divisions of the Company which has resulted in power saving
- Installation of Poly carbonate sheets installed in roof of shop floor for natural light in day time
- Power Procurement through Open market i.e. from competitive power companies as compared to local utility monopoly
- Purchase of power from private sources (e.g. Wind power) from third parties resulting in cost saving
- Exploring the use of PNG in lieu of Diesel in Generators
- In process of setting up water ponds in units to recoup water levels for internal usage
- Seven (7) units are on Wind power which saved annual power bill
- Installation of wind mill, light pipe or solar tube in few plants (WHD)

(iii) the capital investment on energy conservation equipments:

The Company is following a scientific continuous process of making efforts on energy conservation and such measures include efforts at planning stage of expansion or modernization or replacement etc. (as the case may be). Accordingly, such expenses are considered in annual budgets. In addition to the above, considering size and extent of operations and turnover of the Company, any specific capital investment detail(s) in this respect, will be insignificant to segregate and separately report.

## B. Technology absorption

(i) the efforts made towards technology absorption:

- MATE has successfully secured the technology needed to develop and produce a roof cross-bar for automobiles. The roof cross-adaptable bar's design allows it to be fitted on a range of diverse automobile models and facilitates the installation of a wide range of roof baskets. This includes patented anti-theft locking system.
- MATE has successfully acquired technology to develop and produce a high-strength, light-weight and special surface-coated aluminum roof basket carrier product for automobiles.

- MATE has successfully acquired In-Mold Graining and Lamination ('IMGL') technology and MATE has won a commercial order to develop and supply interior parts with IMGL application from an automobile OEM.

- MATE has applied stitching & press lamination technology on door trim ornaments with decorative soft skins.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

- MATE has won commercial orders to develop and supply Door Trim Parts with stitching & press lamination for two cars models from automobile OEM thus far.

- MATE has successfully acquired IMGL technology and has won a commercial order to develop and supply Interior Parts with IMGL application from an automobile OEM thus far.

- The flexible design of IMGL allows for installation on a wide range of international automobile models as well as ease of installation and removal without need for additional tools or time.

- Productivity enhancement

- Reduction in Manpower

- Reducing WIP inventory by process elimination

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- the details of technology imported:

The technology was developed in-house. Accordingly, no technology was imported.

- the year of import:

Not Applicable

- whether the technology been fully absorbed:

Developed in-house from first elements.

- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

### Research & Development (R&D):

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

- MATE has implemented a path breaking innovation: R-Energy, which helps the organization to develop structured energy management to continuously measure, monitor & improve the organizations energy performance which leads to conserving resources & addressing environmental concerns. Using the energy data collected, various analyses are performed and energy consumption reports for individual equipment or load centers per hour, shift, day, and month are shared through auto generated e-mails to the respective users with summary reporting to top management.
- MATE has implemented another path breaking innovation: R-Asset, which is a cloud- based solution that provides real-time access of location for static assets (such as equipment & machineries) as well as dynamic assets such as moulds, trolleys, bins etc. within the plant premises. The system can also keep a record of the assets that are moved out from the plant. The analysis of data acquired helps in better utilization and tracking of assets.
- MATE has released a new BTC product named 'Motherson Car Germ Guard' in collaboration with a collaborator. The product's fabric is supercharged which filters, traps and kills bacteria, viruses, dust and pollutants in the automobile cabin to give healthier air. The product has been proven effective as per AATCC 100 & ASTM E2149 standards.



- ROBIS, a unit of MATE has developed and tested the “Forklift Autonomous Mobile Robotics (AMR) Guided Vehicle with natural navigation”. Natural navigation works without any pre-determined paths and it is very easy to configure the paths according to user needs.
  - ROBIS, a unit of MATE has developed and manufactured Compact Cartesian ultrasonic welding machine.
- 2) Benefits derived as a result of the above R&D:
- Ultrasonic welding machines offer higher throughput with a very compact footprint.
  - Forklift Autonomous Mobile Robotics (AMR) GV with natural navigation can complete tasks or transport material across the factory floor intelligently in an orchestrated manner with minimal human input.
  - Using of cloud based systems across the organization and applications, real-time data can be monitored remotely from anywhere with authorization.
- 3) Future plan of action
- Globally the Automotive Industry is seeing changes at a pace never seen before. The Company is fully focused on staying ahead of the curve and efforts are made towards sustainability. Innovative and path breaking ideas that aim for this goal automatically provide the conservation of both cash and energy, while they use the best of available resources without depleting them. With horizontal deployment of such ideas across the various plants of the Company, the results will automatically multiply.
- 4) the expenditure incurred on Research and Development.
- The expenses were considered in annual budget and cost and is not separately identifiable.

### C. Foreign exchange earnings and Outgo-

INR (In Million)

a.	Total Foreign exchange earned in terms of actual inflows	17,376
b.	Total Foreign exchange outgo in terms of actual outflows	19,070

### Particulars of Employees and other related disclosures

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each director, if any, in the financial year :
- (a) Remuneration paid to the Whole-time Director(s)

Name of director(s)	Designation	Ratio of remuneration to median remuneration of the employees	% increase / decrease of remuneration in 2022 as compared to 2021
Mr. Pankaj Mital	Whole time Director & COO	56.94	9.00

- (b) Remuneration paid to the non-executive and independent directors

Name of director(s)	Designation	Ratio of remuneration to median remuneration* of the employees	% increase / decrease of remuneration in 2022 as compared to 2021
Mr. Sushil Chandra Tripathi, IAS (Retd.)**	Non-executive and independent director	NA	NA
Mr. Arjun Puri**	Non-executive and independent director	NA	NA
Mr. Gautam Mukherjee	Non-executive and independent director	9.33	6.51
Ms. Geeta Mathur**	Non-executive and independent director	NA	NA
Mr. Naveen Ganzu	Non-executive and independent director	9.09	14.85
Ms. Rekha Sethi***	Non-executive and independent director	6.71	NA
Mr. Veli Matti Ruotsala***	Non-executive and independent director	2.29	NA
Mr. Robert Joseph Remenar***	Non-executive and independent director	2.12	NA

\* Remuneration for non-executive and independent directors is commission payable/paid for the financial year ended March 31, 2022.

\*\* No commission was not paid for financial year 2021-22 as they were directors of the Company only for part of the year. Accordingly, percentage change has not been computed.

\*\*\* Appointed as director during the financial year and accordingly increase in remuneration as compared to previous year is not applicable.

- (c) Remuneration paid to the non-executive and non-independent directors

Name of director(s)	Designation	Ratio of remuneration to median remuneration of the employees	% increase / decrease of remuneration in 2022 as compared to 2021
Mr. Vivek Chaand Sehgal	Chairman, Non-executive and non-independent director	Nil	NA
Mr. Norikatsu Ishida	Non-executive and non-independent director	Nil	NA
Mr. Laksh Vaaman Sehgal	Non-executive and non-independent director	Nil	NA
Mr. Shunichiro Nishimura	Non-executive and non-independent director	Nil	NA
Mr. Takeshi Fujimi	Non-executive and non-independent director	Nil	NA

(d) The percentage increase in remuneration for Chief Financial Officer and Company Secretary in the financial year:

Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. G.N. Gauba, Chief Financial Officer^	9.00
Mr. Kunal Malani, Chief Financial Officer^^	9.00
Mr. Alok Goel, Company Secretary	7.50

^ Mr. G.N. Gauba ceased to be the Chief Financial Officer of the Company effective January 28, 2022. The percentage increase is adjusted on compare basis.

^^ Mr. Kunal Malani was appointed as the Chief Financial Officer effective January 28, 2022. Prior to his appointment as Chief Financial Officer, Mr. Malani was Vice President (Group Strategy and M&A) and was an employee of erstwhile Samvardhana Motherson International Limited (SAMIL). After the merger of erstwhile SAMIL with the Company, Mr. Malani continued in the employment of the Company.

- (ii) The percentage increase in the median remuneration of employees in the financial year: 11.3%
- (iii) The number of permanent employees on the rolls of company: 3,461
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 10%
- (v) Affirmation that the remuneration is as per the remuneration policy of the company: The Company affirms remuneration is as per the remuneration policy of the Company.

### Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2021-22

1. Brief outline on CSR Policy of the Company.

Our Company Vision is to create more inclusive and sustainable environment. Our commitment to CSR emanates from the business mission that guides us to set new standards in good corporate citizenship. Therefore, our CSR programs have been structured to be made sustainable, measurable, replicable and scalable which will enable us carve out a reputation for being one of the most socially and environmentally responsible companies. Your Company, in alignment with Schedule VII of the CSR Rules, generally undertakes all its CSR programs/projects/activities under the following broader thrust areas of CSR:

- Skill Development and Vocation based education
- Livelihood enhancement
- Waste management and Sanitation
- Environmental sustainability
- Women and youth empowerment
- Protection of national heritage, art and culture
- Measures for benefit of armed forces
- Rural Development
- Slum Area Development
- Disaster Management including reliefs, rehabilitation and reconstruction activities
- National Missions

Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee entitled to attend by the respective member during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vivek Chaand Sehgal	Chairman, Non-Executive Non Independent Director	3	3	3
2.	Mr. Arjun Puri*	Member, Non-Executive Independent Director	3	2	2
3.	Ms. Rekha Sethi**	Member, Non-Executive Independent Director	3	1	1
4.	Mr. Laksh Vaaman Sehgal	Member, Non-Executive on Independent Director	3	3	3

\* Ceased to be director and member of CSR Committee effective January 28, 2022.

\*\* Appointed as member of CSR Committee effective January 28, 2022.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. –



Link for CSR Committee Composition: <https://www.motherson.com/performance/mssl-investors/management>

Link for CSR Policy: <https://www.motherson.com/storage/Group-Policies/CSR-policy.pdf>

Link for CSR projects approved by the Board: <https://www.motherson.com/storage/annual-report/MSSL-Annual-Reports-2021-22/SAMIL-Corporate-Social-Responsibility-Projects.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable –

The Company has conducted Impact Assessment of three (3) projects during the financial year 2021-22 for the projects commenced and completed during the period from May 1, 2018 to March 31, 2021 and executive summary of the impact assessment report was annexed with Board Report for the financial year ended March 31, 2021.

Currently, the Company has no CSR project which has completed one year for undertaking the impact study. Therefore impact assessment is not applicable for the financial year ended March 31, 2022.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- Not applicable

S. No.	Financial year	Amount available for set-off from preceding financial years (in INR)	Amount required to be set off for the financial, if any (in INR)
	NIL	NIL	NIL

6. Average net profit of the company as per section 135(5) – INR 10,085,609,850
7. (a) Two percent of average net profit of the company as per section 135(5) – INR 201,712,197
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year - NIL
- (c) Amount required to be set off for the financial year, if any - NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c). – INR 201,712,197
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
57,709,084	16,900,000	13-04-2022	Clean Ganga Fund	127,103,113	Not Applicable#

# In view of amended CSR Rules, the Company is required to transfer the unspent amount not relating to any ongoing project, to a Fund specified in Schedule VII of the Companies Act, 2013 ("the Act"), within a period of six months of the expiry of the financial year. In pursuance of this, the Board of Directors of your Company on recommendation of CSR Committee, in its meeting held on May 26, 2022 had approved to transfer the unspent amount of 127,103,113 of FY 2021-22 to Clean Ganga Fund within the prescribed timeline in the Act.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in INR)	(8) Amount spent in the current financial Year (in INR)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	To contribute for creation of the Test Lake, a part of the Rainwater Harvesting Project surrounding the Matrimandir, initiated by Auroville Foundation	Items (iv) of Schedule VII of the Companies Act, 2013:-	Yes	Tamil Nadu and Puducherry	Viluppuram	12 months	16,900,000	Nil*	16,900,000	No	Swarn Lata Motherson Trust	CSR000006337
	<b>Total</b>								<b>16,900,000</b>			

\*The Board of Directors of your Company on recommendation of CSR Committee, in its meeting held on February 11, 2022 had approved to contribute for creation of the Test Lake, a part of the Rainwater Harvesting Project surrounding the Matrimandir, initiated by Auroville Foundation. The abovesaid Project was Ongoing and was commenced during FY 2021-22. However the NIL amount was spent by the Company during FY2021-22, therefore in pursuance of Section 135(6) of the Companies Act, 2013, the entire amount allocated for the project was transferred to Unspent CSR Account.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in INR)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	To procure Oxygen Concentrators to provide to the hospitals, nursing homes, dispensaries and NGO's including, to the Kailash Hospital in Noida	Clause (xii) of Schedule VII of the Companies Act, 2013 - disaster management	Yes	Uttar Pradesh	Gautam Budh Nagar	8,961,698	Yes	NA	NA
2.	To donate oxygen generators to government hospitals nursing homes, dispensaries in Uttar Pradesh, particularly in Noida and Shahjehanpur, in collaboration with Maruti Suzuki India Limited (MSIL)	Clause (xii) of Schedule VII of the Companies Act, 2013 - disaster management	Yes	Uttar Pradesh	Gautam Budh Nagar & Shahjehanpur	13,263,855	No	Swarn Lata Motherson Trust	CSR00006337
3.	To contribute to Multiple Sclerosis Society Of India, Delhi Chapter (MSSI)	Clause (ii) of Schedule VII of the Companies Act, 2013	Yes	Delhi	Delhi	500,000	No	Swarn Lata Motherson Trust	CSR00006337
4.	To contribute to World Wide Fund for Nature - India (WWF)	Clause (iv) of Schedule VII of the Companies Act, 2013:- Animal welfare.	No	Kolkata	South 24 Parganas - Sundarban	100,000	No	Swarn Lata Motherson Trust	CSR00006337
5.	To donate 100 Aerobin	Items (i) and (iv) of Schedule VII of the Companies Act, 2013:- Promotion of sanitation, ensuring environment sustainability	Yes	Delhi NCR	Delhi NCR	794,331	No	Swarn Lata Motherson Trust	CSR00006337
6.	To donate to Hemkunt Foundation (For Covid-19 relief activities)	Clause (xii) of Schedule VII of the Companies Act, 2013 - disaster management	Yes	Delhi NCR	Delhi NCR	500,000	No	Swarn Lata Motherson Trust	CSR00006337
7.	To contribute to Olympic Gold Quest (OGQ)	Clause (vii) of Schedule VII of the Companies Act, 2013 - promotion of Olympic games	Yes	PAN India	PAN India	33,000,000	No	Swarn Lata Motherson Trust	CSR00006337
8.	Nanhi Kali- K C Mahindra Education Trust	Clause (ii) of Schedule VII of the Companies Act, 2013:- Promoting Education	Yes	Maharashtra	Mumbai	589,200	Yes	K C Mahindra Education Trust	CSR00000511
<b>Total</b>						<b>57,709,084</b>			

(d) Amount spent in Administrative Overheads -NIL

(e) Amount spent on Impact Assessment, if applicable - Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - INR 57,709,084 million

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	201,712,197
(ii)	Total amount spent for the Financial Year	57,709,084
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial year (in INR)
				Name of the Fund	Amount (in INR)	Date of transfer	
1.	2020-21	25,219,756	850,000	Clean Ganga Fund	139,255,324	September 24, 2021	24,369,756
2.	2019-20	Not Applicable*	--	--	--	--	--
3.	2018-19	Not Applicable*	--	--	--	--	--
<b>Total</b>							

\*The provisions related to ongoing projects have come into effect from 22nd January 2021, i.e., from FY 2020-21 onwards. The said provision to transfer the unspent amount pertaining to ongoing projects to the Unspent CSR Account under section 135 (6) is prospective in effect and not applicable to projects of previous financial years.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Amount allocated for the project (in INR)	(7) Amount spent on the project in the reporting Financial Year (in INR)	(8) Cumulative amount spent at the end of reporting Financial Year (in INR)	(9) Status of the project - Completed /Ongoing
1	Old Age Home Project	Old Age Home Project (The Earth Saviors Foundation)	2020-21	12 months	5,810,000	850,000	3,751,250	Ongoing
<b>Total</b>					<b>5,810,000</b>	<b>850,000</b>	<b>3,751,250</b>	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s) - None

(b) Amount of CSR spent for creation or acquisition of capital asset - NIL



- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Not applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

The Company has spent the entire eligible amount, i.e., INR 201,712,197 for FY 2021-22 in the following manner:

	<b>Amount in INR</b>
• Amount spent on other than ongoing projects	57,709,084
• Unspent amount towards ongoing projects and transferred to special unspent CSR Account	16,900,000
• Amount required to be transferred to a specified fund	127,103,113

**V.C. Sehgal**  
Chairman (CSR Committee)

**Pankaj Mital**  
Whole-time Director

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

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

To  
The Members  
**Samvardhana Motherson international Limited**  
(Formerly known as Motherson Sumi Systems Limited)  
CIN L34300MH1986PLC284510

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed with additional fee wherever applicable, and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992.
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended to date.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not Applicable during the period under review.
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the Audit Period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable for the auditing period); and
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

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

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously by the consent of all the Directors entitled to vote as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be have been duly recorded in the Minutes Book.

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

We further report that during the audit period the Company has following major events having a major bearing on company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc;

1. the Scheme of Amalgamation and Arrangement and De-merger between the Company, Erstwhile Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited by the Hon'ble NCLT Mumbai on 22<sup>nd</sup> December 2021 (certified copy of the said order received on 23<sup>rd</sup> December 2021), during the year under review.
2. As per the provisions of the said order, the Scheme has been given effect and the DWH Business has been demerged into a separate Company namely Motherson Sumi Wiring India Limited effective 5<sup>th</sup> January 2022 and erstwhile Samvardhna Motherson International Limited has been merged with the Company effective 21<sup>st</sup> January 2022.
3. Pursuant to the scheme of Amalgamation and Arrangement, 241,54,30,660 Equity Shares of Re. 1/- each have been issued to the shareholders of the transferor Company in the ratio of 51 Equity shares of Re. 1/- each in lieu of 10 Equity shares of Rs. 10/- each on 28<sup>th</sup> January 2022 whereas 105,57,50,653 Equity shares of the Company have been cancelled during the year.
4. Change in the directors of the Company:
  - Ms. Rekha Sethi was appointed as Additional Director (Independent) on 10<sup>th</sup> August 2021 and

approval of shareholders has been obtained in the 34<sup>th</sup> Annual general meeting of the Company held on 17<sup>th</sup> September 2021

- Mr. Pankaj Mittal has been re-appointed as Whole-time Director designated as COO of the Company w.e.f. 1<sup>st</sup> October 2021 for a period of 5 years during the year under review.
  - Mr. Norikatsu Ishida had been appointed as Nominee Director of SWS on the Board of the Company in place of Mr. Takeshi Fujimi on 4<sup>th</sup> January 2022.
  - Mr. Veli matti Ruotsala and Mr. Robert Joseph Remenar have been appointed as Independent Directors of the Company w.e.f. 28<sup>th</sup> January 2022 in place of Mr. Arjun Puri and Ms. Geeta Mathur as Independent Directors w.e.f. 28<sup>th</sup> January 2022.
5. The company has raised borrowing of Rs. 1,000 crores through issue of Non- convertible Debentures during the year under review whereas NCD's amounting to Rs. 700 crores have been transferred from the Transferor Company erstwhile Samvardhna Motherson International Limited pursuant to the scheme of Amalgamation and arrangement.
  6. During the year under review the Company has obtained approval through postal Ballot for the special resolution pursuant to section 186 of the Companies Act, 2013. The notice of the above postal Ballot dated 8<sup>th</sup> October 2021 was sent to all the eligible shareholders of the Company and the results were declared on 2<sup>nd</sup> December 2021.

For SGS ASSOCIATES LLP  
Firm Regn No. L2021DE011600  
Company Secretaries

Date: 26<sup>th</sup> May 2022  
Place: New Delhi

CS D.P. Gupta  
M. N. FCS 2411  
C P No. 1509  
UDIN: F002411T000391514

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of the Report.

## ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE (UNQUALIFIED)

To  
The Members  
Samvardhana Motherson international Limited  
(Formerly known as Motherson Sumi Systems Limited)  
CIN L34300MH1986PLC284510

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For SGS ASSOCIATES LLP  
Firm Regn No. L2021DE011600  
Company Secretaries

CS D.P. Gupta  
M. N. FCS 2411  
C P No. 1509

Date: 26<sup>th</sup> May 2022  
Place: New Delhi

UDIN: F002411T000391514



## REPORT ON CORPORATE GOVERNANCE

This report is prepared in accordance with the provisions of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the report contains details of Corporate Governance systems and processes at Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) (“the Company”).

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate Governance is based on the principles of integrity, transparency, accountability and commitment to values. Your Company views its Corporate Governance policies not only to comply with the statutory requirements in letter and spirit, but also to aim at implementing the best practices, keeping in view of overall interest of all its stakeholders and to manage the Company's affairs in a fair and transparent manner.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. Your Company takes Corporate Governance as a critical tool to enhance trust of its Customers, Employees, Investors, Government and the Community at large and achieve its goal of maximizing value for its stakeholders while also being a positive influence in communities, by operating through responsible business practices.

Over the years, the Company has further strengthened its governance framework by investing sizeable resources to ensure that internal control processes meet the best practices. This includes various transparent procedures and practices which, determine the way business is to be

conducted and value generated. Stakeholders' interest are taken into account, before making any business decision. The focus on creating value for all stakeholders has led to the trust and the request from customers to do more. This approach strengthens the position of the Company and helps it move closer to the vision of being a globally preferred solutions provider.

In terms of distributing wealth to the shareholders, apart from having a track record of uninterrupted dividend pay-out, the Company has also delivered consistent unmatched shareholder returns. The Company has the distinction of consistently rewarding its shareholders through dividends over the past twenty eight eventful years from its Initial Public Offering, while supporting the future growth of the Company.

### BOARD OF DIRECTORS

As on March 31, 2022, the Company had ten (10) Directors, of which nine (9) are Non-executive Directors including five (5) Independent Directors. The Board has one (1) Woman Director, being Independent Director of the Company. As on March 31, 2022, the composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

None of the Directors on the Board is a member of more than ten (10) committees across all the public companies or Chairman of more than five (5) committees across all the public listed companies as on March 31, 2022, for which confirmation has been obtained from the Directors.

The name and categories of Directors on the Board and number of Directorships in other public companies and Committee Chairmanship/Memberships held by them as on March 31, 2022 are given below:

Name of Director	Promoter/ Executive/ Non-Executive/ Independent Non Executive/ Nominee	No. of Directorships in other Public Companies @	Committee membership in public companies @	Committee Chairmanships in public companies
Mr. Vivek Chaand Sehgal * DIN 00291126	Chairman, Non-executive	5	1	Nil
Mr. Sushil Chandra Tripathi, IAS (Retd.)^ DIN 0094122	Non-Executive Independent Director	Not Applicable	Not Applicable	Not Applicable
Mr. Norikatsu Ishida^^^^ \$	Non-Executive Non-Independent Director	1	2	Nil
Mr. Arjun Puri^^ DIN 0021190	Non-Executive Independent Director	Not Applicable	Not Applicable	Not Applicable
Mr. Gautam Mukherjee DIN 02590120	Non-executive Non Independent Director	2	3	3
Ms. Geeta Mathur^^^ DIN 02139552	Non-Executive Independent Director	Not Applicable	Not Applicable	Not Applicable
Mr. Naveen Ganzu DIN 00094595	Non-Executive Independent Director	Nil	1	Nil
Ms. Rekha Sethi^^ DIN 06809515	Non-Executive Independent Director	4	3	Nil
Mr. Veli Matti Ruotsala^^^^ DIN 09462008	Non-Executive Independent Director	Nil	1	Nil
Mr. Robert Joseph Remenar^^^^ DIN 09469379	Non-Executive Independent Director	Nil	Nil	Nil
Mr. Laksh Vaaman Sehgal* DIN 00048584	Non-executive Non Independent Director	7	3	Nil
Mr. Shunichiro Nishimura \$ DIN 08138608	Non-executive Non Independent Director	1	2	Nil
Mr. Takeshi Fujimi^^^^^ \$ DIN 08501292	Non-executive Non Independent Director	Not Applicable	Not Applicable	Not Applicable
Mr. Pankaj Mital DIN 00194931	Whole-time Director & Chief Operating Officer, Executive Director	3	2	Nil

\* Promoter and Director.

\$ Nominee Director(s) of Sumitomo Wiring Systems Limited (SWS).

^ Ceased to be director due to demise on May 19, 2021.

^^ Ms. Rekha Sethi was appointed as Independent Director by the Board of Directors effective August 10, 2021 and by the shareholders on September 17, 2021.

^^^ In order to ensure continuity of Board participation and benefit the demerged entity with the vast experience and knowledge of Mr. Arjun Puri and Ms. Geeta Mathur, inter-alia, Domestic Wiring harness Undertaking of the Company, Mr. Arjun Puri and Ms. Geeta Mathur were appointed as Independent Directors of Motherson Sumi Wiring India Limited for their remaining tenure in the Company, i.e., up to March 31, 2024. Accordingly Mr. Arjun Puri and Ms. Geeta Mathur had resigned from the position of an Independent Director of the Company effective January 28, 2022.

^^^^Mr. Velli Matti Ruotsala and Mr. Robert Joseph Remenar were appointed as Independent Directors by the Board of Directors effective January 28, 2022 and approved by the shareholders on March 30, 2022.

Mr. Takeshi Fujimi had resigned from the Board effective from January 4, 2022. Further, Mr. Norikatsu Ishida was appointed as Director in his place by the Board of Directors effective January 4, 2022 and approved by the shareholders on March 30, 2022.

@ Pursuant to Regulation 26 of Listing Regulations, the companies mentioned herein are public limited companies, whether listed or not, and does not include other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013.

**Notes:**

- As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/ chairpersonship of the Audit Committee and Stakeholders Relationship Committee in Indian public companies (listed and unlisted).
- Membership of the Directors in the Committees is including Chairmanship.
- None of the other Director(s) are related to each other except Mr. Vivek Chaand Sehgal and Mr. Laksh Vaaman Sehgal. Mr. Vivek Chaand Sehgal is father of Mr. Laksh Vaaman Sehgal.
- The Company has received declarations of independence as prescribed under Regulation 25(8) of the Listing Regulations from the Independent Directors stating that they meet the criteria of Independence as provided in Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013. All requisite declarations were placed before the Board and upon perusal of such declarations, the Board reviewed and took on record that the independent directors fulfil the conditions specified in Listing Regulations and the Companies Act, 2013 and are independent of the management.
- The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013.

Further, the name of other listed companies where the Directors of the Company are also Director and category of Directorship is as under:

Name of Director	Directorship in other Listed Company (as on March 31, 2022)	Category of Directorship	
Mr. Vivek Chaand Sehgal	Motherson Sumi Wiring India Limited*	Non-Executive Non Independent Director	
	Hero Fincorp Limited (only debt listed)	Independent Director	
Mr. Sushil Chandra Tripathi, IAS (Retd.)^	Not Applicable	Not Applicable	
Mr. Norikatsu Ishida^^	Motherson Sumi Wiring India Limited	Non-Executive Non Independent Director	
Mr. Arjun Puri^	Not Applicable	Not Applicable	
Mr. Gautam Mukherjee	Jamna Auto Industries Limited	Independent Director	
Ms. Geeta Mathur^	Not Applicable	Not Applicable	
Mr. Naveen Ganzu	Nil	Not Applicable	
	Ms. Rekha Sethi^^	CESC Ltd	Independent Director
		Spencer's Retail Limited	Independent Director
		Kirloskar Brothers Limited	Independent Director
Mr. Veli Matti Ruotsala^^	Nil	Not Applicable	
Mr. Robert Joseph Remenar^^	Nil	Not Applicable	
Mr. Laksh Vaaman Sehgal	Motherson Sumi Wiring India Limited*	Non-Executive Non Independent Director	
Mr. Shunichiro Nishimura	Nil	Not Applicable	
Mr. Takeshi Fujimi^	Not Applicable	Not Applicable	
Mr. Pankaj Mital	Nil	Not Applicable	

^ Ceased to be director during the financial year 2021-22.

^^ Appointed as director during the financial year 2021-22.

\* Promoter and Director of Motherson Sumi Wiring India Limited.

**Attendance at Board Meeting and Annual General Meeting**

The Board of Directors of the Company meets at least four times in a year, i.e., once a quarter to review the quarterly/ half yearly/ yearly results and other items on the agenda.

During the financial year 2021-22, Eight (8) Board Meetings were held and gap between two meetings did not exceed 120 (one hundred and twenty) days. The said meetings were held on: (1) June 2, 2021 (2) August 10, 2021 (3) October 8, 2021 (4) November 8, 2021 (5) November 12, 2021 (6) January 4, 2022 (7) January 28, 2022 and (8) February 11, 2022. The necessary quorum was present for all meetings.

The attendance record of the Board of Directors at the Board Meetings and Annual General Meeting held on September 17, 2021 during FY 2021-22 is as below:

Sl. No.	Name of Director	No. of Board Meetings entitled to attend	No. of Board Meetings Attended	Attendance at last Annual General Meeting
1.	Mr. Vivek Chaand Sehgal	8	8	Yes
2.	Mr. Sushil Chandra Tripathi, IAS (Retd.)^	Not Applicable	Not Applicable	Not Applicable
3.	Mr. Norikatsu Ishida^^	3	3	Not Applicable
4.	Mr. Arjun Puri^	7	7	Yes
5.	Mr. Gautam Mukherjee	8	8	Yes
6.	Ms. Geeta Mathur^	7	7	Yes
7.	Mr. Naveen Ganzu	8	8	Yes
8.	Ms. Rekha Sethi^^	7	7	Yes
9.	Mr. Veli Matti Ruotsala^^	2	2	Not Applicable
10.	Mr. Robert Joseph Remenar^^	2	2	Not Applicable
11.	Mr. Laksh Vaaman Sehgal	8	8	Yes
12.	Mr. Shunichiro Nishimura	8	8	Yes
13.	Mr. Takeshi Fujimi^	6	1	Yes
14.	Mr. Pankaj Mital	8	8	Yes

^ Ceased to be director during financial year 2021-22.

^^ Appointed as director during financial year 2021-22.

The Company provided Video conferencing facility to enable all the Directors to attend and participate at the meetings from different locations.

The information regularly placed before the Board of Directors amongst others include following:

- Quarterly/ half yearly/ yearly results and performance of the Company.
- Minutes of the meetings of the Board and all its committees.
- Minutes of meetings of the Board of the subsidiary companies and periodical Financial Statements including significant transactions and arrangements entered into by the subsidiary companies on a quarterly basis.
- Materially important litigations, show cause, demand, prosecution and penalty notices.
- Annual Operating plans, budgets and updates.
- Details of changes in structure of JV / subsidiary company(ies).
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Recruitment and Remuneration of Senior management / Key Managerial Personnel (KMPs) of the Company.
- Funding to Subsidiary Companies / Guarantee to secure funds availed by Subsidiary Companies and update on Governance of unlisted Subsidiary Companies.



- j) Borrowings by the Company and update on the fund utilisation.
- k) Other information as mentioned in Schedule II Part A of the Listing Regulations.

The details of equity shares of the Company held by the Directors during the financial year 2021-22 are given below:

**(A) Equity shares:**

Name	Category	No. of equity shares (face value of Rs. 1 each)
Mr. Vivek Chaand Sehgal	Non-Executive Non Independent Director	585,855,096**
Mr. Sushil Chandra Tripathi, IAS (Retd.)^	Non-Executive Independent Director	2,000*
Mr. Arjun Puri^^	Non-Executive Independent Director	157,841**
Mr. Gautam Mukherjee	Non-Executive Independent Director	61,000**
Ms. Geeta Mathur^^	Non-Executive Independent Director	35,625**
Mr. Naveen Ganzu	Non-Executive Independent Director	211,951
Mr. Laksh Vaaman Sehgal	Non-Executive Non Independent Director	1,143**
Mr. Pankaj Mital	Executive Director (Designated as Whole time director & COO)	531,753**

^ Ceased to be director due to demise on May 19, 2021.

\* As second holder in jointly held shares. The first holder being Ms. Kiran Tripathi, spouse of Mr. Sushil Chandra Tripathi, IAS (Retd.).

^^ Ceased to be director effective January 28, 2022.

\*\*Includes additional Shares acquired upon merger of erstwhile Samvardhana Motherson International Limited with the Company.

**(B) Equity Convertible instruments:** The Company has no outstanding equity convertible instruments.

**Meeting of Independent Directors**

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

- review performance of non-independent directors and the Board as a whole;
- review performance of the Chairman of the Company, taking into account views of executive directors and non-executive directors; and
- assess quality, quantity and timeliness of flow of information between Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During year under review, the Independent Directors met on March 18, 2022, inter-alia, to discuss the aforesaid matters. Mr. Gautam Mukherjee as the Lead Independent Director presided the said meeting of the Independent Directors. All of the Independent Directors were present at the Meeting.

**Familiarization Programme of Independent Directors**

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

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

Further, during the financial year, a familiarization programme for the Independent Directors was organized by the Company from March 17, 2022 to March 20, 2022 in Dubai, UAE. At the familiarization programme, the Independent Directors visited the manufacturing facilities located at MPKC, Ras al Khaimah and MSSL & MTL, Sharjah. All the Independent Directors attended the familiarization programme organized by the Company.

The details of the familiarization programme of the Independent Directors are available on the website of the Company at [www.motherson.com](http://www.motherson.com).

**Performance Evaluation criteria for Independent Directors**

The performance of the Directors including the Independent Directors is evaluated on the basis of the criteria specified as per the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India ("**SEBI**") with the aim to improve the effectiveness of the Board and the Committees. The said criteria provides certain parameters like qualification, experience, knowledge and competencies, fulfilment of functions, ability to function as a team, initiative, commitment and their participation and contribution at the Board meetings and Committee meetings, independence from the Company and other Directors, providing independent views and judgement, and expertise to provide feedback and guidance to top management on business strategy, governance, risk, understanding of the organization's strategy, internal and external environment.

Evaluation of Independent Directors, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Companies Act, 2013 and Listing Regulations.

The Board's performance was evaluated based on inputs received from all the Directors, in respect of Board's composition and structure, effectiveness of the Board, performance of the Committees, processes and information provided to the Board, etc. The details of

evaluation parameters and the manner of evaluation have been explained in the Board Report.

**Code of Conduct**

The Company has stipulated Code of Conduct for all Directors and the designated employees of the Company ("the Code"). The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. A copy of the Code been placed on the Company's website, viz., [www.motherson.com](http://www.motherson.com).

The Code has been circulated to the Directors and all permanent employees of the Company and its compliance is affirmed by them annually. The Members of the Board and Management personnel have affirmed compliance with the Code applicable to them during financial year ended on March 31, 2022. A declaration signed by the Whole-time Director and Chief Operating Officer is published in this Report.

**Core skills, expertise and competencies identified by the Board of Directors**

The Board of the Company comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board members are committed to ensure that the Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key skills and attributes which are taken into consideration while nominating candidates to serve on the Board:

Core skills, expertise and competencies	
Financial	Leadership and management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or person performing similar function.
Gender, ethnic, national, or other diversity	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments and other stakeholders worldwide.
Global business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and a broad perspective on global market opportunities.
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long term growth.
Technology	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.

Core skills, expertise and competencies	
Mergers and acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyse the fit of a target with the Company's strategy and culture, accurately value transactions and evaluate operational integration plans.
Board service and governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.
Customer support function	Experience in developing strategies for customer support function, grow sales and market share, build brand awareness and enhance enterprise reputation.

#### Core skills, expertise and competencies of the Directors:

Given below is a list of core skills, expertise and competencies of the individual Directors:

Name of Director	Skills / Expertise / Competencies							
	Financial	Gender, ethnic, national, or other diversity	Global business	Leadership	Technology	Mergers and acquisitions	Board service and governance	Customer support function
Mr. Vivek Chaand Sehgal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sushil Chandra Tripathi, IAS (Retd.) <sup>^</sup>	✓	-	✓	✓	✓	✓	✓	-
Mr. Norikatsu Ishida <sup>^^</sup>	✓	✓	✓	✓	-	✓	✓	✓
Mr. Arjun Puri <sup>^</sup>	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Gautam Mukherjee	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Geeta Mathur <sup>^</sup>	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Naveen Ganzu	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Rekha Sethi <sup>^^</sup>	✓	✓	✓	✓	-	-	✓	✓
Mr. Veli Matti Ruotsala <sup>^^</sup>	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Robert Joseph Remenar <sup>^^</sup>	✓	✓*	✓	✓	✓**	✓	✓	✓
Mr. Laksh Vaaman Sehgal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Shunichiro Nishimura	✓	✓	✓	✓	-	✓	✓	-
Mr. Takeshi Fujimi <sup>^</sup>	-	✓	✓	✓	✓	-	✓	-
Mr. Pankaj Mital	✓	✓	✓	✓	✓	✓	✓	✓

<sup>^</sup> Ceased to be director during financial year 2021-22.

<sup>^^</sup> Appointed as director during financial year 2021-22.

\*Inter-national diversity

\*\*Technology trends and disruptive innovation

#### COMMITTEES OF BOARD

##### Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013. The Audit Committee of the Company comprises majority of the Independent Directors. The members of the Audit Committee met seven (7) times during financial year 2021-22. The Audit Committee, inter-alia, reviewed related party transactions, internal audit report, quarterly, half-yearly and annual financial statements before submission to the Board.

The dates on which meetings were held are as follows:

(1) April 6, 2021 (2) June 1, 2021 (3) August 9, 2021 (4) October 7, 2021 (5) November 11, 2021 (6) February 10, 2022 and (7) March 30, 2022.

The maximum time gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days. Also, the necessary quorum was present for all the meetings.

The composition of the Committee and attendance of each member at the Audit Committee meetings held during the FY 2021-22 is as below:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings Attended
Mr. Sushil Chandra Tripathi, IAS (Retd.) <sup>^</sup>	Chairman	Non-Executive Independent Director	1	1
Mr. Gautam Mukherjee <sup>**</sup>	Chairman	Non-Executive Independent Director	7	7
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director (Nominee of SWS)	7	7
Mr. Arjun Puri <sup>^^</sup>	Member	Non-Executive Independent Director	5	5
Ms. Geeta Mathur <sup>^^</sup>	Member	Non-Executive Independent Director	5	5
Ms. Rekha Sethi <sup>***</sup>	Member	Non-Executive Independent Director	2	2
Mr. Naveen Ganzu <sup>*</sup>	Member	Non-Executive Independent Director	6	6
Mr. Veli Matti Ruotsala <sup>***</sup>	Member	Non-Executive Independent Director	2	2
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non Independent Director	7	7

<sup>^</sup> Ceased to be director due to demise on May 19, 2021.

<sup>\*</sup> Appointed as member effective May 28, 2021.

<sup>\*\*</sup> Appointed as the Chairman on August 21, 2021.

<sup>^^</sup> Ceased to be members effective January 28, 2022.

<sup>\*\*\*</sup> Appointed as members effective January 28, 2022.

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

- Reviewing, with the management, the quarterly/ half yearly/ yearly financial statements before submission to the board for their approval;
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of section 134 of the Companies Act, 2013;
- Any changes in accounting policies and practices and reasons for such change;
- Major accounting entries involving estimates based on exercise of judgment by management;
- Analysis of the effects of alternative GAAP methods on the financial statements;
- Qualification(s), if any, in the draft audit report(s);
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with accounting standards and applicable legal requirements relating to financial statements;
- Disclosure and/or approval of any related party transactions;
- Disclosure of contingent liabilities;



- (k) The effect of regulatory and accounting initiatives as well as off-balance-sheet structures, on the financial statements;
- (l) Company's earnings press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies;
- (m) Recommendation for appointment, remuneration and terms of appointment of auditors;
- (n) Annual Budget review;
- (o) Review and recommendation of the Valuation reports to the Board of Directors;
- (p) Review of Management discussion and analysis of financial condition and results of operations;
- (q) Review the functioning of the whistle blower mechanism;
- (r) Review of Insider Trading Portal;
- (s) The statement for uses/applications of funds including funds raised through Private Placement with the financial results and annually the statement of funds utilized for purposes other than as mentioned in the offer document / prospectus / notice (if applicable);
- (t) Reviewing the findings of any internal audit reports by the internal auditors;
- (u) Any other document required to be reviewed by the Committee (or a similar body) as per the applicable laws on the Company;
- (v) Carrying out any other function as is mentioned in the terms of reference of the audit committee and/or as mentioned in Schedule II Part C of the Listing Regulations.

The meetings of the Audit Committee were attended by Mr. Pankaj Mital, Whole time director & COO during the financial year 2021-22. The Audit Committee invites such executives, as it considers appropriate, representatives of the statutory auditors and internal auditors to be present at its meetings. The Company Secretary act as the Secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on September 17, 2021 and the same was attended by Mr. Gautam Mukherjee, Chairman of the Audit Committee.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company has been constituted in line with the provisions

of Regulation 19 of the Listing Regulations read with Section 178(1) of the Companies Act, 2013.

During the financial year 2021-22, the Committee met (4) four times i.e., (1) June 1, 2021 (2) August 9, 2021 (3) January 4, 2022 and (4) January 28, 2022.

The composition of the Committee and attendance of each member at the Nomination and Remuneration Committee meetings held during the FY 2021-22 is as below:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings Attended
Mr. Gautam Mukherjee	Chairman	Non-Executive Independent Director	4	4
Ms. Geeta Mathur <sup>^</sup>	Member	Non-Executive Independent Director	4	4
Ms. Rekha Sethi <sup>^^</sup>	Member	Non-Executive Independent Director	Nil	Not applicable
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non Independent Director	4	4

<sup>^</sup> Ceased to be member effective January 28, 2022.

<sup>^^</sup> Appointed as member effective January 28, 2022.

The terms of reference of the Nomination and Remuneration Committee include:

- To identify persons who are qualified to become Directors and who may be appointed in the senior management, recommend to the Board about their appointment and removal and carry out evaluation of every Director's performance;
- Formulation of criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- To evaluate and recommend terms of appointment of the Independent Director, on the basis of their report of performance evaluation of the Independent Director;
- Devising a Policy on Board Diversity;

- Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
- Carrying out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee and / or as mentioned in Schedule II Part D of the Listing Regulations.

#### Remuneration Policy

The Company has adopted a comprehensive remuneration policy in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives and the performance of the individuals measured through the annual appraisal process.

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs.

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Director. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members and are effective April 1 of each year.

The Board of Directors, inter-alia, on the recommendation of the Nomination and Remuneration Committee (if any), decides the commission payable to the Independent Directors out of the profits for respective financial year and within the ceilings prescribed under the Companies Act, 2013, based on the evaluation process and considering the criteria, such as, the performance of the Company.

#### Criteria of Selection of Independent Directors

The Nomination and Remuneration Committee considers, inter-alia, the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director(s):

- Qualification, expertise and experience in their respective fields such as Information Technology Business, Scientific Research & Development, International Markets, Leadership, Financial Analysis, Risk Management and Strategic Planning, etc.
- Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards etc.

- Diversity of thought, experience, knowledge, perspective and gender in the Board.
- Understanding of automotive business of the Company and growth.
- Such other criteria as prescribed in the Corporate Governance Guidelines of the Company or prescribed by the Board from time to time.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively.

The Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013.

In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

#### Criteria of Making Payments to Directors, Senior Management and Key Managerial Personnel

The Company pays remuneration by way of salary, benefits, perquisites and allowance to its Whole-time Director. Annual increment is decided by the Board within salary scale approved by the NRC and is effective from April 01, each year.

During the financial year 2021-22, the Company paid sitting fees to its Independent Directors only for attending various meetings of the Board and Committees of the Board. The amount of sitting fee is:

- Rs. 50,000 per meeting for a Board Meeting and Audit Committee Meeting; and
- Rs. 30,000 for any other Committee Meeting.

The members had, at the Annual General Meeting of the Company held on August 31, 2016, approved payment of commission to the Non-executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The said commission is decided each year by the Board of Directors and distributed only amongst the Independent Directors for their contribution at the Board and/or its Committees.

The details of remuneration for financial year ended March 31, 2022 for the Directors are as follows:

(a) Independent Directors (Non-executive):

Name of Directors	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Sushil Chandra Tripathi IAS (Retd.) <sup>^</sup>	-	50,000	50,000
Mr. Gautam Mukherjee	45,00,000	9,00,000	54,00,000
Mr. Arjun Puri <sup>^^</sup>	-	6,60,000	6,60,000
Ms. Geeta Mathur <sup>^^^</sup>	-	7,50,000	7,50,000
Mr. Naveen Ganzu	45,00,000	7,60,000	52,60,000
Ms. Rekha Sethi <sup>^^</sup>	33,75,000	5,10,000	38,85,000
Mr. Veli Matti Ruotsala <sup>^^^^</sup>	11,25,000	2,00,000	13,25,000
Mr. Robert Joseph Remenar <sup>^^^^</sup>	11,25,000	1,00,000	12,25,000

<sup>^</sup> Ceased to be director due to demise on May 19, 2021.

<sup>^^</sup> Appointed as Independent Director on August 10, 2021.

<sup>^^^</sup> Ceased to be Independent Director of the Company on January 28, 2022.

<sup>^^^^</sup> Appointed as Independent Director on January 28, 2022.

The composition of the Committee and attendance of each member at the Stakeholders Relationship Committee meeting held during the FY 2021-22 is as below:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings Attended
Mr. Gautam Mukherjee	Chairman	Non-Executive Independent Director	1	1
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director	1	1
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time director & COO)	1	1

The previous Annual General Meeting (AGM) of the Company was held on September 17, 2021 and same was attended by Mr. Gautam Mukherjee, Chairman of the Stakeholders Relationship Committee.

Mr. Alok Goel, Company Secretary is the Compliance Officer.

(b) Whole-time Director:

Name of Director	Salary	Amount (Rs.)
Mr. Pankaj Mital	Basic salary	2,28,44,004
	Bonus	22,84,400
	Benefits perquisites and allowances	78,35,376
	<b>Total</b>	<b>3,29,63,780</b>

The period of service of Mr. Pankaj Mital as Whole-time Director as approved by the shareholders in their 34th Annual General Meeting held on September 17, 2021 is from October 1, 2021 to September 30, 2026. The period of service can be terminated by either party upon giving three (3) month notice. Further, there is no severance fee payable or stock options issued to Mr. Pankaj Mital.

The Company does not have any stock option or equity link benefits for directors and/or employees.

#### Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company has been constituted in line with the provisions of Regulation 20 of Listing Regulations read with Section 178(5) the Companies Act, 2013. The Committee looks into shareholders' and investors' grievances. During the financial year, one (1) meeting of the Committee was held, i.e., on March 24, 2022.

#### Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013. During the financial year 2021-22, three (3) meetings of the Committee were held on (1) June 1, 2021 (2) November 11, 2021 and (3) February 10, 2022.

The composition of the Committee and attendance of each member at the CSR Committee meetings held during the FY 2021-22 is as below:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings Attended
Mr. Vivek Chaand Sehgal	Chairman	Non-Executive Non Independent Director	3	3
Mr. Arjun Puri <sup>^</sup>	Member	Non-Executive Independent Director	2	2
Ms. Rekha Sethi <sup>^^</sup>	Member	Non-Executive Independent Director	1	1
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non Independent Director	3	3

<sup>^</sup> Ceased to be member of CSR Committee effective January 28, 2022.

<sup>^^</sup> Appointed as member of the CSR Committee effective January 28, 2022.

#### Terms of reference of the Committee:

- To formulate and recommend to the Board, a CSR Policy and activities to be undertaken by the Company in areas or subject, specified in Schedule VII to the Companies Act, 2013;
- To recommend amount of expenditure on CSR activities; and
- To monitor CSR Policy of the Company.

#### Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with provisions of Regulation 21 of the Listing Regulations. The Board of the Company has formed a Risk Management Committee to assist the Board with regard to the identification, evaluation and mitigation of strategic, operational, external environment and cyber security risks and in fulfilling its corporate governance oversight responsibilities and to frame, implement and monitor the risk management plan for the Company. The Committee is also responsible for reviewing risk management plan and ensuring its effectiveness. Major risks identified by business and functions are systematically addressed through mitigating actions on a continuing basis.

During the financial year 2021-22, two (2) meetings of the Committee were held on (1) October 7, 2021 and (2) March 30, 2022. The maximum time gap between two consecutive meetings did not exceed 180 (one hundred and eighty) days as amended in the Listing Regulations w.e.f. May 5, 2021. Also, the necessary quorum was present for all the meetings.



The composition of the Committee and attendance of each member at the Risk Management Committee meeting held during the FY 2021-22 is as below:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings Attended
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director	2	2
Ms. Geeta Mathur <sup>^</sup>	Member	Non-Executive Independent Director	1	1
Ms. Rekha Sethi <sup>^^</sup>	Member	Non-Executive Independent Director	1	1
Mr. Naveen Ganzu	Member	Non-Executive Independent Director	2	2
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time director & COO)	2	2
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director	2	2
Mr. Gaya Nand Gauba <sup>^</sup>	Member	Chief Financial Officer (up to 28.01.2022)	1	1
Mr. Kunal Malani <sup>^^</sup>	Member	Chief Financial Officer (effective 28.01.2022)	1	1

<sup>^</sup> Ceased to be member of Risk Management Committee effective January 28, 2022.

<sup>^^</sup> Appointed as member of the Risk Management Committee effective January 28, 2022.

#### Other Committees constituted by the Board

##### (i) Committee of Directors (Administrative Matters)

The Board of Directors has constituted a Committee of Directors for Administrative Matters to facilitate decision making required to perform various day-to-day functions of the Company. The said Committee was constituted on September 10, 2012.

The Committee met one (1) time on March 24, 2022 during the financial year 2021-22 and requisite quorum was present at such Committee meeting. In addition, the Committee had approved urgent matter through circulation pursuant to the provisions of the Companies Act, 2013.

The following are members of the Committee:

Name	Designation	Category	Committee Meeting(s) Attended
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director	1
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director	1
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time director & COO)	1

The terms of reference of the Committee, inter-alia, includes the following:

- To open bank accounts special or otherwise for the purposes of business of the Company including for the purposes of payment of interest, dividend on shares etc. and for the said purpose authorize Directors and/or Officials to operate said accounts and for time to time vary such authorization and also to close such accounts as it may deem fit.
- To authorise Directors and/or Officials of the Company to represent the Company before Government Authorities and other Authorities for setting up the units / factory of the Company, transfer of unit and also to close such units as it may deem fit.
- To appoint Occupier for the factory(ies) of the Company under the Factories Act, 1948 and also appoint the Factory manager, if any.
- To authorize Directors and/or officials of the Company to represent the Company before the Government and/or Non-Government Bodies and authorize them to do all such acts, deeds and things as it may deem fit in connection with the matters pertaining to such bodies and/or otherwise issue and execute power of attorney(s) in favour of any Director and/or officials of the Company or any other

person for any general or specific purpose relating to the business and affairs of the Company.

- To authorize any Director and/or officials of the Company and/or any person to attend and represent the Company at any Extraordinary General Meeting and/or Annual General Meeting or any other meetings of shareholders, Debenture holders or Creditors of the Companies in which the Company is a shareholders or Debenture holder or Creditor including signing the Postal Ballot form and other documents as may be required.
- To file proceedings against any person and to defend proceedings against the Company, its Directors and officials by any person before any court of law, tribunal or any other authority with power to apply, for compounding of offences / matters alleging violation of law by the Company or its officers to the Company Law Board, Income Tax Tribunal or court(s) or any other authority anywhere in India or abroad and to appoint Advocate(s), issue Power of Attorney and other documents.
- To authorize such other power as are delegated to it from time to time by the Board of Directors.
- To authorize any Director and/or official of the Company for any other Administrative items required for the smooth operation and not covered herein, in the best interest of the Company.

##### (ii) Committee of Directors (Strategic Business Matters)

The Company has a Committee of Directors (Strategic Business Matters), which was constituted by the Board on January 31, 2014. The following are members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Sushil Chandra Tripathi, IAS (Retd.) <sup>^</sup>	Member	Non-Executive Independent Director
Mr. Gautam Mukherjee <sup>^^</sup>	Member	Non-Executive Independent Director
Ms. Geeta Mathur <sup>^^^</sup>	Member	Non-Executive Independent Director
Ms. Rekha Sethi <sup>^^^^</sup>	Member	Non-Executive Independent Director

Name	Designation	Category
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time director & COO)

<sup>^</sup> Ceased to be director due to demise on May 19, 2021.

<sup>^^</sup> Appointed as member effective November 12, 2021.

<sup>^^^</sup> Ceased to be member effective January 28, 2022.

<sup>^^^^</sup> Appointed as member effective January 28, 2022.

The Committee's role includes detailed review of following matters and make recommendation to the Board:

- Acquisition proposals, Divestment and Business re-organization proposals;
- Business & Strategy Review;
- Long-term financial projections and cash flow;
- To approve capex incurred by the Company or subsidiaries up to the limits as may be specified by the Board from time to time; and
- Any other items as may be delegated by the Board.

##### (iii) Committee of Directors (Business Reorganization)

The Board of Directors in its meeting held on January 30, 2020 constituted Committee of Directors (Business Reorganization). The said Committee, subject to the overall superintendence, control and direction of the Board, is authorized to oversee proposed reorganization proposal and to make recommendations to the Board with a definitive proposal and scheme of reorganization.

The Following are the members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time director & COO)

**(iv) Special Committee of the Board**

The Board of Directors in its meeting held on July 2, 2020 constituted a Special Committee of the Board ("Committee"). The said Committee, subject to the overall superintendence, control and direction of the Board, is authorised to oversee the process of implementation of the Scheme of Amalgamation and Arrangement amongst the Company, Samvardhana Motherson International Limited (erstwhile) and Motherson Sumi Wiring India Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013.

The Following are the members of the Committee:

Name	Designation	Category
Mr. Sushil Chandra Tripathi, IAS (Retd.) <sup>^</sup>	Member	Non-Executive Independent Director
Mr. Arjun Puri <sup>*^^</sup>	Member	Non-Executive Independent Director
Mr. Gautam Mukherjee	Member	Non-Executive Independent Director
Ms. Geeta Mathur <sup>^^</sup>	Member	Non-Executive Independent Director
Ms. Rekha Sethi <sup>^^^</sup>	Member	Non-Executive Independent Director
Mr. Pankaj Mital <sup>^^^</sup>	Member	Non-Executive Non Independent Director

<sup>^</sup> Ceased to be director due to demise on May 19, 2021.

<sup>\*</sup> Appointed as member effective November 12, 2021.

<sup>^^</sup> Ceased to be member effective January 28, 2022.

<sup>^^^</sup> Appointed as member effective January 28, 2022.

**(v) Committee of Directors (Fund Raising)**

The Board of Directors in its meeting held on September 2, 2020 constituted Committee of Directors (Fund Raising). The said Committee, subject to the overall superintendence, control and direction of the Board, was authorised to perform all acts as may be required for borrowing up to Rs. 3,000 crores and/or matters incidental thereto, including, to authorize to negotiate and deal with lenders, finalize and appoint various consultants, legal counsels, advisors, rating agency(ies),

inter-mediatory, registrar and other agencies etc., deal with the Stock Exchanges and/or depositories.

The Following were the members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Gautam Mukherjee	Member	Non-Executive Independent Director
Ms. Geeta Mathur	Member	Non-Executive Independent Director
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time director & COO)

The delegated assignment of the above Committee was accomplished. Accordingly, the aforesaid Committee of the Board was dissolved effective August 10, 2021.

**(vi) Global Sustainability Committee**

SEBI vide its notification dated May 10, 2021 has decided to introduce new reporting requirements called the Business Responsibility and Sustainability Report (BRSR). BRSR seeks disclosures from listed entities on their performance against nine principles of the 'National Guidelines on Responsible Business Conduct' and reporting under each principle is divided into essential and leadership indicators. BRSR shall be applicable to the top 1000 listed entities (by market capitalization) from FY 2022 -23.

The United Nations Global Compact ("UNGC") provides a principle based framework for businesses, stating Ten Principles for human rights, labor, environment and anti-corruption. The United Nations (UN) has developed 17 Sustainable Development Goals (SDGs) for achieving transformational change across the globe.

In pursuance of the above, the Board of Directors in its meeting held on June 2, 2021 constituted Global Sustainability Committee. The Board of Directors in its meeting has also approved for participation in UN Global Compact. The said Committee, subject to the overall superintendence, control and direction of the Board, is responsible to drive the sustainability goals as prescribed by SEBI and by UN for adoption on voluntary basis.

The following are the members of the Committee:

Name	Designation	Category
Mr. L.V. Sehgal	Chairman	Non-Executive
Mr. Gautam Mukherjee	Member	Non-Executive Independent Director
Ms. Geeta Mathur <sup>^</sup>	Member	Non-Executive Independent Director
Mr. Veli Matti Ruotsala <sup>^^</sup>	Member	Non-Executive Independent Director
Ms. Rekha Sethi <sup>^^^</sup>	Member	Non-Executive Independent Director

<sup>^</sup> Ceased to be member effective January 28, 2022.

<sup>^^</sup> Appointed as member effective January 28, 2022.

<sup>^^^</sup> Appointed as member effective July 4, 2022.

**System for transfer of Shares**

To oversee share transfer process in physical segment, authority has been delegated to the Share Transfer Committee. The following are the members of the Committee:

Name	Designation	Category	Committee Meeting(s) Attended
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director	1
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director	1
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time director & COO)	1

The Committee met one (1) time on March 24, 2022 during the financial year 2021-22 and requisite quorum was present at such Committee meeting.

Share transfer / transmissions (if any) approved by the Committee are placed at the quarterly Board Meeting. In respect to the System for transfer of Shares following is submitted:

- a) All shares have been transferred within stipulated time, so long as the documents have been in order in all respects.
- b) Subject to the requests received by the Company for transfer/transmission/ issue of duplicate share certificates etc., the Share Transfer Committee meets normally once a fortnight.
- c) Total number of shares transferred in physical (including transmission) form during the financial year 2021-22 was Nil.
- d) As on March 31, 2022, no request for equity shares transfer was pending.

The 99.79% of the equity shares of the Company are in electronic form as on March 31, 2022. Transfer of demat shares are done through the depositories with no involvement of the Company/Company's Registrar and Share Transfer Agent (RTA).

Further, the Company obtains yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty (30) days of the date of lodgement of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges.

As per Regulation 40 of Listing Regulations, as amended vide circular dated July 5, 2018, shares of the Company can be transferred only in dematerialized form with effect from, 1st April, 2019. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them.

**Investor Relations**

**Shareholder's grievances**

For the financial year ended March 31, 2022, the Company had received 283 investors' complaints, such as, non-receipt of shares after transfer, non-receipt of dividend, non-receipt of shares upon demerger etc. All complaints received during financial year 2021-22 were disposed off within the said financial year to the satisfaction of the shareholders, except one complaint received through NSE on March 23, 2022 regarding non receipt of demerger shares of Demerged Company (Motherson Sumi Wiring India Limited) which was replied on April 16, 2022. The complaints are generally responded to within seven (7) days from date in which they are lodged with the Company / RTA.



### Non-Convertible Debenture Holder's grievances

The Company has following Non-Convertible Debentures listed at BSE Limited:

S. No.	ISIN	Issuance Date	Maturity Date	Coupon Rate	Amount Issued
1.	INE775A07016	21.04.2020	20.04.2023	7.84% p.a.	INR 500,00,00,000 (Rupees Five Hundred Crore only)
2.	INE775A08048	14.09.2020	14.09.2023	6.65% p.a.	INR 2130,00,00,000 (Rupees Two Thousand One Hundred and Thirty crore)
3.	INE775A08055	25.11.2021	25.11.2024	5.69% p.a.	INR 250,00,00,000 (Rupees Two Hundred and Fifty crore only)
4.	INE775A08063	25.11.2021	25.11.2026	6.09% p.a.	INR 515,00,00,000 (Rupees Five Hundred and Fifteen crore only)
5.	INE775A08071	08.12.2021	08.12.2024	5.68% p.a.	INR 235,00,00,000 (Rupees Two Hundred and Thirty Five crore only)
6.	INE750H07139*	04.12.2019	04.12.2022	9.75% p.a.	INR 700,00,00,000 (Rupees Seven Hundred crore only)

\*Upon merger of erstwhile Samvardhana Motherson International Limited ("erstwhile SAMIL") with the Company effective from January 21, 2022, these NCDs issued by erstwhile SAMIL on private placement basis in accordance with provisions specified under SEBI (Issue and Listing of Debt Securities) Regulations, 2008 stood transferred to and vested in the Company.

For the financial year ended March 31, 2022, the Company had not received any investors' complaints with respect to the aforesaid Non-Convertible debentures issued by the Company.

### General Meetings:

#### Particulars of the past three Annual General Meetings (AGMs):

Annual General Meeting	Date	Time	Venue	Special Resolution passed
32nd	August 14, 2019	11:30 A.M.	Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, near (Sayani Road), Prabhadevi, Mumbai - 400025	<ol style="list-style-type: none"> <li>To re-appoint Mr. Sushil Chandra Tripathi, IAS (Retd) as an Independent Director for a further period of 5 (five) years, i.e. up to March 31, 2024.</li> <li>To re-appoint Mr. Arjun Puri as an Independent Director for a further period of 5 (five) years i.e. up to March 31, 2024.</li> <li>To re-appoint Mr. Gautam Mukherjee as an Independent Director for a further period of 5 (five) years i.e. up to March 31, 2024.</li> <li>To re-appoint Ms. Geeta Mathur as an Independent Director for a further period of 5 (five) years i.e. up to March 31, 2024.</li> </ol>
33rd	September 28, 2020	2.00 P.M.	The Meeting held through Video Conferencing/ Other Audio Visual Means pursuant to the general circulars issued by the Ministry of Corporate Affairs and in compliance with the provisions of the Companies Act, 2013, Listing Regulations, the Meeting.  The venue of the Meeting was deemed to be the Registered Office of the Company.	<ol style="list-style-type: none"> <li>To re-appoint Mr. Naveen Ganzu as an Independent Director for a further period of 5 (five) years, i.e. up to October 13, 2025.</li> </ol>
34th	September 17, 2021	3:00 P.M.	The Meeting held through Video Conferencing/ Other Audio Visual Means pursuant to the general circulars issued by the Ministry of Corporate Affairs and in compliance with the provisions of the Companies Act, 2013, Listing Regulations, the Meeting.  The venue of the Meeting was deemed to be the Registered Office of the Company.	<ol style="list-style-type: none"> <li>Approval for making Investments, grant loans or provide guarantees, upto a limit of Rs. 1000 million, as mentioned in enabling resolution, by the Company under Section 186 of the Companies Act, 2013.</li> </ol>

Pursuant to the provisions of Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended from time to time), and the circulars issued by Ministry of Corporate Affairs from time to time, the Company had provided facility of remote e-voting and e-voting to its Members in respect of the businesses transacted at all AGMs.

The Company had engaged the services of National Securities Depository Limited (“NSDL”) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting during the Meeting was provided by NSDL.

The Resolutions at 34th AGM were passed by the requisite majority.

#### Special Resolution passed through Postal Ballot

During the financial year 2021-22 one postal ballot was undertaken by the Company, details of which are as below:

Sl. No.	Date of declaration of results	Special Resolution(s) passed	Person who conducted the Postal Ballot exercise	Procedure for Postal Ballot	Agency providing Remote E-Voting Facility
1.	December 3, 2021	To make Investments in CIM Tools Private Limited in excess of the limits prescribed under Section 186 of the Companies Act, 2013.	Mr. D.P. Gupta, Practicing Company Secretary of M/s SGS Associates (FCS-2411; C.P. No.-1509) was appointed as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner	In terms of the General Circular No.14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 (collectively the “MCA Circulars”), The Postal Ballot Notice was sent by email to all the members of the Company who have registered their email addresses with the company or depository / depository participants and the communication of assent / dissent of the members took place only through the remote e-voting system	KFin Technologies Limited (formerly KFin Technologies Private Limited)

The Resolutions were passed by the requisite majority.

Further, there is no immediate proposal for passing any resolution through postal ballot.

#### Means of Communication

The quarterly, half-yearly and annual results of the Company were published in leading newspapers of India which include Financial Express and Nav Shakti, Mumbai. The results were also displayed on the Company’s website [www.motherson.com](http://www.motherson.com). Press Release made by the Company from time to time were also displayed on the Company’s website.

Detailed presentations were made to institutional investors and financial analysts on the Company’s unaudited quarterly, half yearly as well as audited annual financial results. These presentations were also uploaded on the Company’s website and duly intimated to the Stock Exchanges where equity shares of the Company are listed.

The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results, Annual Report, Press Releases, Analysts Call after the Board Meeting. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

The Company’s website [www.motherson.com](http://www.motherson.com) contains a separate dedicated section ‘Investor Section’ where Shareholders’ information is available. The Company’s Annual Report is also available in downloadable form.

**BSE Corporate Compliance & Listing Centre (the Listing Centre):** BSE’s Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings under the Listing Regulations, including, shareholding patterns, corporate governance report, media release, statement of investor complaints, announcements, among others are filed electronically on the Listing Centre.

**NSE Electronic Application Processing Systems (NEAPS):** NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings under the Listing Regulations, including, shareholding patterns, corporate governance report, media release, statement of investor complaints, announcements, among others are filed electronically on NEAPS.

#### Management Discussion and Analysis

Management Discussion and Analysis is covered separately as a part of the Annual Report.

#### Dividend Distribution Policy

The Board of Directors has adopted Dividend Distribution Policy as per Regulation 43A of SEBI Listing Regulation. As, inter-alia, stated in the Dividend Distribution Policy, the Company has a consistent dividend policy for “distribution of upto 40% of consolidated profit as dividend and the Board may decide higher dividend in special and exceptional circumstances”. Dividend Distribution Policy is appended as Annexure-1 to the Corporate Governance Report and have also been uploaded on the Company’s website:-[https://www.motherson.com/storage/list-directory-items/copy\\_Dividend\\_Distribution\\_Policy.pdf](https://www.motherson.com/storage/list-directory-items/copy_Dividend_Distribution_Policy.pdf)

#### Other Disclosures

- No transactions of material nature requiring shareholders’ approval have been entered into by the Company with the Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company.
- All related parties transactions entered into as defined under the Act and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company’s website [www.motherson.com](http://www.motherson.com). Transactions with the related parties are disclosed in Note No. 40 in the standalone financial statements.
- No penalties or strictures were imposed by SEBI or the Stock Exchange or any statutory authority, on any matter related to capital markets, during the last three (3) years.
- The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents, which have been uploaded on the Company’s website: [www.motherson.com](http://www.motherson.com).

e) Over years, the Company has expanded significantly its business organically and inorganically. Mr. Vivek Chaand Sehgal, Chairman and Promoter of the Company spend extensive time and contribute significantly to provide guidance to overseas businesses, customer relations and investor relations for financing the global business from the Chairman’s office setup by MSSL Mideast (FZE). Given international focus of businesses of the Company, including the wiring harness business, MSSL Mideast (FZE), has appointed Mr. Vivek Chaand Sehgal, Chairman (on part time basis) to provide guidance as aforesaid. While associated with MSSL Mideast (FZE), Mr. Vivek Chaand Sehgal also provide guidance to the operations of overseas subsidiaries / joint ventures of the Company and on new business opportunities outside India. For the financial year 2021-22, MSSL Mideast (FZE) has paid remuneration or accrued remuneration of Euro 2,206,000 to Mr. Vivek Chaand Sehgal Chairman of the Company.

f) Mr. Laksh Vaaman Sehgal, Director of the Company spearhead R&D initiative at Motherson Innovations Company Ltd., UK (“MI”). MI is primarily involved in innovative and technology solutions and work for developing and bringing new future technology for strategic advancement and growth for the entire group. For the financial year 2021-22, MI has remunerated Mr. Laksh Vaaman Sehgal of Euro 1,181,456.19 and post-employment benefits equivalent to Euro 378,579.52 along with insurance, company car and an accommodation for his stay in London, UK. The total remunerations and benefits from MI accounts for Euro 1,560,035.71.

g) All mandatory requirements have been duly complied, including but not limited to succession planning for appointment of directors and senior management.

#### Whistle-blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of Listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been placed on website of the Company at [www.motherson.com](http://www.motherson.com).

The Company has also appointed an independent external ombudsman, namely, “Thought Arbitrage Consultancy (TAC)”. TAC consists of trained professional with expertise in this field. Any complaint or protected disclosure



pertaining to an improper or unethical act as defined in the Whistle-blower Policy should be submitted to TAC. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the 'Whistle Blower Policy' uploaded at the website of the Company.

#### Subsidiary Companies

The Audit Committee reviews the consolidated financial statements of the Company. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

As on March 31, 2022 the Company has appointed following Directors on the Board of overseas material subsidiary in terms of regulation 24(1) of SEBI Listing Regulations:

Sl. No.	Name of Material Subsidiary	Independent Director appointed on the Board of respective Company
1.	Samvardhana Motherson Global Holdings Limited, Cyprus	Mr. Gautam Mukherjee
2.	MSSL Mideast (FZE)	Mr. Naveen Ganzu
3.	MSSL (GB) Limited	Mr. Veli Matti Ruotsala <sup>^</sup>
4.	Samvardhana Motherson Automotive Systems Group B.V.	Mr. Robert Joseph Remenar <sup>^</sup>

<sup>^</sup> Appointed as a director on the Board of the Company effective January 28, 2022.

The Company does not have any material unlisted Indian subsidiary company.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website of the Company at [https://www.motherson.com/storage/list-directory-items/copy\\_policy\\_for\\_determining\\_material\\_subsidary.pdf](https://www.motherson.com/storage/list-directory-items/copy_policy_for_determining_material_subsidary.pdf)

#### CEO/CFO Certifications

The Whole-time Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of the Listing Regulations at the Board meeting held on May 26, 2022.

#### General Shareholders Information

##### 1. Annual General Meeting (AGM) to be held

Date : August 29, 2022  
Day : Monday  
Time : 1515 hours (IST)  
Venue : Via Video Conferencing/ Other Audio Visual Means

As required under Regulation 36(3) of Listing Regulations, particulars of Directors seeking appointment/re- appointment at the ensuing AGM are given in the Annexure to the Notice of AGM.

##### 2. Financial Calendar (tentative and subject to change)

- Financial reporting for first quarter ending June 30, 2022: on or before August 14, 2022;
- Financial reporting for second quarter ending September 30, 2022: on or before November 14, 2022;
- Financial reporting for third quarter ending December 31, 2022: on or before February 14, 2023; and
- Financial results for financial year ending March 31, 2023: May 30, 2023.

The above dates are tentative and will be subject to the change.

##### 3. Book Closure date: From August 18, 2022 to August 22, 2022 (both days inclusive).

##### 4. Dividend payment date: Dividend for the financial year 2021-22, if declared, will be remitted / paid in accordance with the law.

#### 5. Listing on stock exchanges

Presently, the Equity shares of the Company are listed on following Stock Exchanges:

BSE Limited 1st Floor, New Trading Ring Rotunda Building P.J. Towers, Dalal Street Fort, MUMBAI – 400001, India Scrip Code : 517334	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G-Block Bandra-Kurla Complex, Bandra (E), MUMBAI – 400051, India Scrip Code : MOTHERSUMI
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Non-Convertible Debentures (NCDs) issued and allotted by your Company during the financial year 2020-21 and 2021-22 are listed on BSE Limited (BSE). The details of such NCDs are mentioned in the Board's Report.

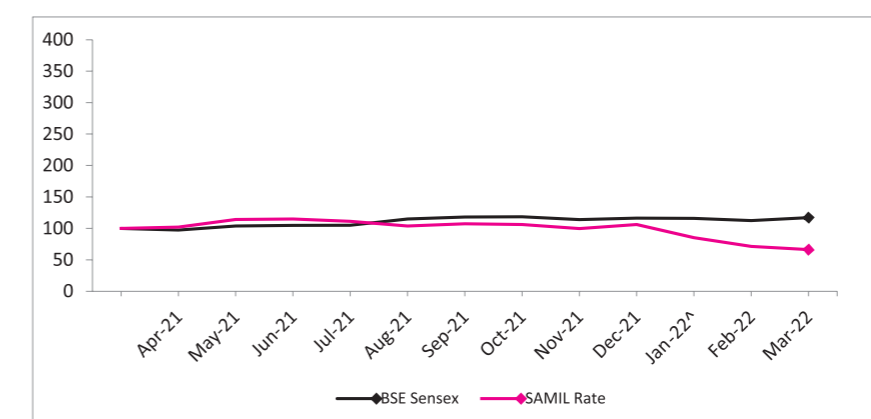
**Payment of listing fees:** Listing fees for financial year 2022-23 has been paid to BSE Limited and National Stock Exchange of India Limited.

#### 6. Market price data:

(Amount in INR)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April, 2021	226.5	195.7	226.65	195.60
May, 2021	248.45	211.1	248.65	210.90
June, 2021	273	227.75	272.85	227.70
July, 2021	248.9	223.75	248.95	223.75
August, 2021	242.7	199.1	242.65	199.00
September, 2021	235.75	208.25	235.90	208.20
October, 2021	257.6	220.05	257.80	220.00
November, 2021	254.75	207.6	254.80	208.00
December, 2021	231.8	196.2	231.35	196.10
January, 2022	254.7	170.25	253.95	170.15
February, 2022	185	143.05	185.00	143.45
March, 2022	150.4	119.55	150.30	119.55

#### 7. Performance in comparison to broad based indices:



<sup>^</sup>The Board of Directors of the Company had fixed January 17, 2022 as the Record Date for entitlement of equity shares to be issued by the Company upon demerger of Domestic Wiring Harness Undertaking of the Company into Motherson Sumi Wiring India Limited. The share price of the Company was made ex-demerger effective from January 14, 2022. Accordingly, the share price is ex-demerger with effect from January 14, 2022.

**8. Shareholding Pattern of the Company as on 31.03.2022 was as under:**

Category	No. of shares held	% of shareholding
Promoters and Promoters Group	3,07,91,39,202	68.16
Mutual Funds	35,14,60,594	7.77
Financial Institutions and Banks	6,73,596	0.01
Foreign Institutional / Portfolio Investors	44,32,29,880	9.80
Insurance Companies	11,79,05,315	2.61
Bodies Corporate, NBFCs registered with RBI and Trusts	19,75,57,522	4.38
General Public (Individuals)	30,75,60,890	6.81
Alternate Investment Funds	6,82,090	0.02
NRIs and Foreign Nationals	1,60,71,766	0.36
IEPF	7,00,076	0.02
Clearing Members*	26,33,313	0.06
<b>Total</b>	<b>4,51,76,14,244</b>	<b>100</b>

\*These shares are lying in pool account of NSDL/CDSL since buyers' identity is not established.

**9. Registrar and Transfer Agents**

The Registrar and Transfer Agent (RTA) of the Company is KFin Technologies Limited (formerly KFin Technologies Private Limited). The investors can send their queries to:

KFin Technologies Limited (formerly KFin Technologies Private Limited)  
(Unit – Samvardhana Motherson International Limited)  
Selenium Tower B, Plot Nos. 31 & 32,  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500032, India  
Toll free number - 1-800-309-4001.  
Email ID: einward.ris@kfintech.com

**10. Distribution of shareholding as on March 31, 2022 was as under:**

Sl. No.	Category (Amount)	No. of Holders	% To Holders	Amount (Rs.)	% To Equity
1	1 - 5000	897697	99.34	142,116,764	3.14
2	5001 - 10000	2413	0.27	17,058,307	0.38
3	10001 - 20000	1291	0.14	18,006,620	0.40
4	20001 - 30000	549	0.06	13,650,499	0.30
5	30001 - 40000	527	0.06	19,127,152	0.42
6	40001 - 50000	177	0.02	7,956,396	0.18
7	50001 - 100000	364	0.04	24,843,899	0.55
8	100001 and above	595	0.07	4,274,854,607	94.63
	<b>TOTAL:</b>	<b>903613</b>	<b>100.00</b>	<b>4,517,614,244</b>	<b>100.00</b>

**11. Dematerialization of shares and liquidity:**

The Company's shares are compulsorily tradable in dematerialized form on NSE and BSE, which provide sufficient liquidity to the investors. The Company has established connectivity with both the depositories i.e. NSDL and CDSL.

Equity shares of the Company representing 99.79% of the Company's equity share capital are dematerialized as on March 31, 2022. Details are given below:

Mode of holding	Percentage (%)
NSDL	97.34
CDSL	2.45
Physical	0.21
<b>Total</b>	<b>100</b>

Demat ISIN Number in NSDL and CDSL for equity shares: ISIN- INE775A01035.

**12. Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has no outstanding GDRs / ADRs / Warrants or any convertible instruments as on March 31, 2022.

**13. Commodity price risk or foreign exchange risk and hedging activities:**

Please refer to Management Discussion and Analysis Report for the same.

**14. During the financial year ended March 31, 2022 the Board of Directors of the Company has accepted all the recommendations of various committee constituted by the Board.**

**15. Fees paid to the Statutory Auditors:**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity, of which the statutory auditors in past, is as under:

Audit fee	Amount in Million INR	
	FY2022	FY2021
Services as Statutory Auditors (including quarterly audit)	405.09	440.64
Tax Audit	22.53	17.46
Services for tax matter (if any)	33.78	55.29
Certification and other matters	75.63	24.71
Re-imbursalment of out-of-pocket expenses	0.16	1.59
	<b>537.20</b>	<b>539.70</b>

**16. Credit ratings:**

List of all credit ratings obtained by the Company along with the revisions thereto during the financial year 2021-22, for all debt instruments is provided in Board's Report.

**17. The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (if any) are mentioned in the Directors' Report.**

**18. Details of funds raised through Private Placement by the Company have been included in the Boards' Report.**

**19. Suspense Account / Unclaimed suspense account:**

In accordance with Schedule V to Listing Regulations, the details of the shares in demat suspense account / unclaimed suspense account of the Company are as below:

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 7,99,129 numbers of equity shares
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil



- (c) Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 7,99,129
- (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

#### 20. Certificate of Non-Disqualification of Directors

In accordance with Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations a certificate from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Stock Exchange Board of India or the Ministry of Corporate Affairs or any such Statutory Authority, is annexed as Annexure- 2.

#### 21. Plant Locations (in India):

- (a) Noida (Uttar Pradesh)
- (b) Manesar (Haryana)
- (c) Pune (Maharashtra)
- (d) Nasik (Maharashtra)
- (e) Ranjangaon (Maharashtra)
- (f) Kandla (Gujarat)
- (g) Sanand (Gujarat)
- (h) Surendranagar (Gujarat)
- (i) Tapukara (Rajasthan)
- (j) Bengaluru (Karnataka)
- (k) Chennai (Tamilnadu)
- (l) Pithampur (Madhya Pradesh)
- (m) Puducherry

#### 22. Address for correspondence:

The Shareholders may address their communication / grievances / queries / suggestions to:

<p>KFin Technologies Limited (Unit-Samvardhana Motherson International Limited) Selenium Tower B, Plot Nos. 31 &amp; 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India Toll free number - 1- 800-309-4001; Email ID: einward.ris@kfintech.com</p>	<p>Company Secretary Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) Plot No. -1, Sector - 127 Noida - 201301 (U.P.) Phone No. : 0120 -6679500 E-mail: investorrelations@motherson.com Website : www.motherson.com</p>
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**23.** The Company is in compliance with the requirements stipulated Regulations 17 to 27 and Regulation 46(2) read with Schedule V of the Listing Regulations, as applicable, with regard to Corporate Governance.

**24.** There has been no non-compliance of any requirement of Corporate Governance Report of sub paras (2) to (10) of clause C of Schedule V of the Listing Regulations, as applicable.

#### 25. Compliance Certificate

The Compliance Certificate for the Corporate Governance from the Statutory Auditors of the Company is annexed herewith.

The above Report has been placed before the Board at its meeting held on July 4, 2022 and the same was approved.

## Declaration regarding compliance with the Company's Code of Conduct

This is to confirm that the Company has adopted Code of Conduct(s) for the Board of Directors and Senior Management and the same is available on the Company's website.

I confirm that the Company has in respect of the financial year March 31, 2022 received from the Board of Directors and Senior Management a declaration of compliance with the Code of Conduct pursuant to Regulation 26(3) of the Listing Regulations.

For Samvardhana Motherson International Limited  
(formerly Motherson Sumi Systems Limited)

Place : Noida  
Date : July 4, 2022

Pankaj Mital  
Whole-time Director & Chief Operating Officer

## DIVIDEND DISTRIBUTION POLICY

### 1. Scope and Purpose

- 1.1 Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) (“the Company”) equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited.
- 1.2 This Dividend Distribution Policy (“the Policy”) defines conditions to be considered by the Board for recommending / paying a dividend to the shareholders of the Company. The Board of Directors will recommend any interim / annual dividend based on this Policy, applicable laws, as well as any specific financial or market conditions prevailing at the time.
- 1.3 Subject to the factors mentioned in para 1.2 above, the Company has a consistent dividend policy for “distribution of upto 40% of consolidated profit as dividend” and the Board may decide higher dividend in special and exceptional circumstances”.
- 1.4 The Policy set out the broad criteria to be considered for determining the proposed dividend to appropriately reward shareholders through dividends while supporting the future growth of the Company.

### 2. Dividend Policy

- 2.1 Dividend Distribution Philosophy
  - 2.1.1 The Company believes in long term value creation for its shareholders while maintaining the desired liquidity and leverage ratios and protecting the interest of all the stakeholders. Accordingly, the focus will continue to be on sustainable returns in terms of dividend, in consonance with the dynamics of business environment.
- 2.2 The circumstances under which shareholders may not expect dividend
  - 2.2.1 The Company shall comply with relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine dividend for a particular period after taking

- into consideration financial performance of the Company, advice of executive management and other parameters described in the Policy.
- 2.3 The financial parameters that shall be considered while declaring dividend
    - 2.3.1 As in the past, subject to provisions of applicable law, the Company’s dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.
    - 2.3.2 Based on above and, subject to factors mentioned in para 2.4 below, the Company will endeavour to maintain steady level of dividend.
  - 2.4 The internal / external factors that shall be considered for declaration of dividend
    - 2.4.1 When recommending / determining the dividend, the company will consider, amongst other matters:
      - actual results for the year and the outlook for business operations
      - providing for anticipated capital expenditures or acquisitions to further enhance shareholder value or meet strategic objectives
      - setting aside cash to meet debt repayments
      - changes in cost and availability of external financing
      - level of dividends paid historically
      - retaining earnings to provide for contingencies or unforeseeable events
      - the overall economic environment including taxation
      - changes in government policy, industry rulings and regulatory provisions
  - 2.5 Policy on utilization of retained earning
    - 2.5.1 The utilization of retained earnings will include:
      - Inorganic / organic growth
      - Diversification opportunities / capital expenditure

- Fund based requirement of company, its subsidiaries, joint ventures and/or other investee companies
  - General corporate purposes including contingencies
  - Investments in the new/existing business
  - Any other permitted use under the Companies Act, 2013 and applicable laws
- 2.6 Provisions with regard to various classes of shares
    - 2.6.1 The provisions contained in this policy shall apply to all classes of shares of the Company. It may be noted that currently the Company has only one class of shares, namely, equity shares.

### 3. Review and Disclosure

- 3.1 This policy will be reviewed and amended, as and when, required by the Board and/or under applicable laws. Any revisions in the Policy will be communicated to shareholders in a timely manner. The Policy shall be disclosed in the Annual report and on the website of the Company, i.e., ‘www.motherson.com’.

### 4. Limitation

- 4.1 In the event of any conflict between the Act or the SEBI Regulations or other statutory enactments (“the Regulations”) and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard, shall automatically apply to this policy.

### 5. Disclaimer

- 5.1 The Policy does not constitute a commitment regarding future dividends of the Company, but only represents a general guidance regarding payment of dividend.
- 5.2 The statement of the policy does not in any way restrict right of the board to use its discretion in the recommendation of the dividend to be distributed considering various factors mentioned in the policy. Further, subject to the provisions of applicable laws, the board reserves the right to depart from the policy as and when circumstances so warrant.



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

### To,

#### The Members of

Samvardhana Motherson International Limited  
(Formerly known as Motherson Sumi Systems Limited)  
Unit 705, C Wing, ONE BKC, G Block,  
Bandra Kurla Complex, Bandra East  
Mumbai- 400051

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited) having CIN L34300MH1986PLC284510 and having its registered office at Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051 (hereinafter referred to as '**the Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by

the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:-

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Vivek Chaand Sehgal	00291126	19/12/1986
2.	Mr. Norikatsu Ishida	09443998	04/01/2022
3.	Mr. Gautam Mukherjee Independent Director	02590120	10/09/2012
4.	Mr. Naveen Ganzu Independent Director	00094595	14/10/2015
5.	Ms. Rekha sethi Independent Director	06809515	10/08/2021
6.	Mr. Veli Matti Ruotsala Independent Director	09462008	28/01/2022
7.	Mr. Robert Joseph Remenar Independent Director	09469379	28/01/2022
8.	Mr. Laksh Vaaman Sehgal	00048584	30/04/2009
9.	Mr. Shunichiro Nishimura	08138608	23/05/2018
10.	Mr. Pankaj Mital	00194931	02/09/2011

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SGS ASSOCIATES LLP  
Company Secretaries  
FRN L2021DE011600

(CS D.P. GUPTA)

FCS: 2411

M.NO: 1509

Place : New Delhi

ICSI PR: 1194/2021

Date : May 26, 2022

ICSI UDIN: F002411D000391525

### Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

#### The Members of Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited)

Unit 705, C Wing, ONE BKC,  
G Block, Bandra Kurla Complex,  
Bandra East Mumbai- 400051

1. The Corporate Governance Report prepared by Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) ("Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") ('Applicable criteria') for the year ended March 31, 2022 as required by the Company for annual submission to the Stock exchanges.

#### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of

Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - Obtained and read the Register of Directors as on March 31, 2022 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
  - Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2021 to March 31, 2022:
    - Board of Directors;
    - Audit Committee;
    - Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
    - Nomination and Remuneration Committee;
    - Stakeholders Relationship Committee;
    - Risk Management Committee;
    - Independent Directors Meeting;
    - Corporate Social Responsibility Committee;
    - Share Transfer Committee;

- (j) Committee of Directors (Administrative Matters);
  - (k) Committee of Directors (Strategic Business Matters);
  - (l) Committee of Directors (Business Reorganization)
- v. Obtained necessary declarations received by the Company from the directors of the Company.
- vi. Obtained and read the policy adopted by the Company for related party transactions.
- vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
- viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified

in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

**Other matters and Restriction on Use**

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For S.R. Batliboi & Co. LLP  
Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

**per Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 22091813AMEZGF4597

Place of Signature: Gurugram

Date: July 04, 2022

# STANDALONE FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT (All amounts in ₹ Million, unless otherwise stated)

**To the Members of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited)**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (the "Company"), which comprise the Balance Sheet as at March 31 2022, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section

of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Accounting for the Composite Scheme of Amalgamation and Arrangements</b> (as described in Note 51 of the standalone financial statements)</p>	
<p>The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated December 22, 2021 has approved the Composite Scheme of Amalgamation and Arrangement ("the Scheme") between the Company, Motherson Sumi Wiring India Limited ("MSWIL"), erstwhile Samvardhana Motherson International Limited (erstwhile SAMIL) and their respective shareholders.</p> <p>The Scheme entails demerger of Domestic Wiring Harness ("DWH") business from the Company into a new company, viz., MSWIL and subsequent merger of erstwhile SAMIL into the Company to bring all auto component and allied businesses in erstwhile SAMIL under the Company.</p> <p>In respect to the demerger, the carrying value of the identified net assets pertaining to the DWH business transferred to MSWIL has been adjusted against general reserve of the Company.</p> <p>For merger, the identifiable assets and liabilities of erstwhile SAMIL have been accounted for in accordance with IND AS 103 - "Business Combination" at the fair values determined by an independent valuer appointed by the Company.</p> <p>The above is considered as a key audit matter as transaction involves significant amount including exercise of judgement and interpretation of the relevant accounting standards and applicable tax and other statutes/regulations.</p>	<p>The procedures performed by us included following:</p> <ol style="list-style-type: none"> <li>Read and assessed the provisions of the Scheme and the NCLT order;</li> <li>Obtained an understanding and assessed the effectiveness of process followed by the management for recording the accounting treatment prescribed in the Scheme;</li> <li>Evaluated whether the accounting treatment of the said transaction is in line with the applicable Indian Accounting Standards (Ind AS) and accounting guidance;</li> <li>Tested the management's assessment and computation for identifying the relevant assets and liabilities of the demerged business;</li> <li>Performed testing procedures including involvement of valuation specialists for testing of the valuation reports provided by the management for the appropriateness of assumptions involved;</li> <li>Verified whether the accounting entries recorded in the books are in line with the accounting treatment assessed above, including the arithmetical accuracy of the same;</li> <li>Read and assessed the disclosure made in the standalone financial statements for assessing compliance with disclosure requirements</li> </ol>

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility

also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of



most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer

to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 37 to the standalone financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 54 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 54 (vi) to the standalone financial statements, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 39 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 22091813AJRVJU4297

Place of Signature: Noida

Date: May 26, 2022

**Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Re: Samvardhana Motherson International Limited (Formerly Known as Motherson Sumi System Limited) (the "Company")**

**In term of the Information and explanations sought by us and given by the company and the books of account and records examined by us in normal course of audit and to the best of our knowledge and belief, we state that:**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i) (b) All Property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure of such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been

confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

- (ii) (b) As disclosed in note 17 (b) to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year, the Company has provided loans to companies, other parties as follows:

	Guarantees (₹ million)	Loans (₹ million)
Aggregate amount of loan granted/ provided during the year		
- Subsidiaries	-	28
- Others	-	75
Balance outstanding as at balance sheet date in respect of		
- Subsidiaries	21,568	24,665
- Others	-	-

- (iii) (b) During the year, the terms and conditions of the grant of all loans to companies, parties are not prejudicial to the Company's interest.
- (iii) (c) The Company has granted loans during the year to companies, other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (iii) (d) There are no amounts of loans granted to companies and other parties which are overdue for more than ninety days.
- (iii) (e) There were no loans or advance in the nature of loan granted to companies, or any other parties which was fallen due during the year,

that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- (iii) (f) As disclosed in note 7 to the standalone financial statements, the Company has granted loans repayable on demand to companies. Of these following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

	All Parties	Promoters	Related Parties
Aggregate amount of loans			
- Repayable on demand (₹ million)	3,523	-	3,523
Percentage of loans	14.2%	-	14.2%

- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of

Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of its products and related services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (b) The dues of income-tax, service tax, excise duty have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ million)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	13	A.Y. 2002-03	Supreme Court
Income Tax Act, 1961	Income Tax	6	A.Y. 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5	A.Y. 2016-2017	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1	A.Y. 2017-2018	Income tax appellate Tribunal
Income Tax Act, 1961	Income Tax	6	A.Y. 2018-2019	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961**	Income Tax	0	A.Y. 2020-2021	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	10	A.Y. 2009-19 to 2014-17	Commissioner (Appeals)
Finance Act, 1994	Service Tax	2	A.Y. 2002-03 to 2003-04 & 2010-11	Commissioner
Finance Act, 1994	Service Tax	5	A.Y. 2002-2004, 2009-10 to 2014-15	CESTAT
Finance Act, 1994	Service Tax	1	A.Y. 2007-08, 2009-10, 2010-11 & 2015-16	CESTAT

\* The amounts are net of deposits made by the Company under protest.

\*\* Amount is below the rounding off norm adopted by the Company



- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) Term loans were applied for the purpose for which the loans were obtained.
- (ix) (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix) (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has utilized the monies raised during the year by way of debt instruments in the nature of non-convertible debentures for the purposes for which they were raised.
- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) (a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) (a) of the order is not applicable to the Company.
- (xii) (b) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) (b) of the order is not applicable to the Company.
- (xii) (c) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) (c) of the order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its director and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3 (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3 (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (xvi) (d) The Group has a Core Investment Company (CIC) as part of the Group, which is exempted from registration requirement.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 35 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 (the Act), till the date of the report. However, the period for such transfer i.e. six months of the expiry of the financial year as permitted under second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report. This matter has been disclosed in note 30 (b) to the standalone financial statements.
- (xx) (b) In respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period thirty days from end of the financial year in compliance with provisions of sub section (6) of section 135 of the Companies Act. This matter has been disclosed in note 30 (b) to the standalone financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 22091813AJRVJU4297

Place of Signature: Noida

Date: May 26, 2022

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED (FORMERLY KNOWN AS MOTHERSON SUMI SYSTEMS LIMITED)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

**Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based

on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 22091813AJRVJU4297

Place of Signature: Noida

Date: May 26, 2022



(All amounts in ₹ Million, unless otherwise stated)

**BALANCE SHEET**

Particulars	Notes	As At March 31, 2022	As At March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	11,123	14,304
Right-of-use assets	3(b)	1,793	2,455
Capital work in progress	3(a)	538	281
Investment properties	4	4,748	835
Intangible assets	5	14	0
Investment in subsidiaries, joint ventures and associate	6(a)	303,854	55,663
Financial assets			
i. Investments	6(a)	3	186
ii. Loans	7	21,176	23,752
iii. Other financial assets	9 (a)	1,429	664
Deferred tax assets (net)	11	114	401
Other non-current assets	10	430	182
Non-current tax assets (net)	23	485	104
<b>Total non-current assets</b>		<b>345,707</b>	<b>98,827</b>
<b>Current assets</b>			
Inventories	12	6,877	5,544
Financial assets			
i. Investments	6(b)	12	12
ii. Trade receivables	8	11,215	5,185
iii. Cash and cash equivalents	13	6,246	2,495
iv. Bank balances other than (iii) above	14	71	61
v. Loans	7	3,611	3,056
vi. Other financial assets	9 (b)	1,923	1,461
Other current assets	10	1,885	916
<b>Total current assets</b>		<b>31,840</b>	<b>18,730</b>
Assets classified as held for distribution	51	-	17,872
<b>Total assets</b>		<b>377,547</b>	<b>135,429</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	4,518	3,158
<b>Other equity</b>			
Reserves and surplus	16(a)	304,714	64,393
Other reserves	16(b)	78	(121)
<b>Total equity</b>		<b>309,310</b>	<b>67,430</b>

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Notes	As At March 31, 2022	As At March 31, 2021
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial Liabilities			
i. Borrowings	17(a)	45,213	34,265
i. (a) Lease liabilities	46	480	600
ii. Other financial liabilities	18	437	178
Employee benefit obligations	21	480	277
Government grants	22	181	25
Other non-current liabilities	24	15	-
<b>Total non-current liabilities</b>		<b>46,806</b>	<b>35,345</b>
<b>Current liabilities</b>			
Financial Liabilities			
i. Borrowings	17(b)	8,239	13,535
i. (a) Lease liabilities	46	231	122
ii. Trade payables			
Total outstanding dues of micro and small enterprises	19	601	369
Total outstanding dues of creditors other than micro and small enterprises	19	7,237	5,870
iii. Other financial liabilities	18	2,729	3,493
Provisions	20	36	18
Employee benefit obligations	21	331	210
Government grants	22	18	1
Other current liabilities	24	2,009	572
<b>Total current liabilities</b>		<b>21,431</b>	<b>24,190</b>
Liabilities directly associated with the assets held for distribution	51	-	8,464
<b>Total liabilities</b>		<b>68,237</b>	<b>67,999</b>
<b>Total equity and liabilities</b>		<b>377,547</b>	<b>135,429</b>
Summary of significant accounting policies	2		

This is the Balance Sheet referred to in our report of even date

The above Standalone balance sheet should be read in conjunction with the accompanying notes

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **PANKAJ CHADHA**

Partner

Membership No.: 091813

For and on behalf of the Board

**V.C. SEHGAL**

Chairman

Place: Mumbai  
Date : May 26, 2022**KUNAL MALANI**  
Chief Financial OfficerPlace: Mumbai  
Date : May 26, 2022**PANKAJ MITAL**Whole-time Director/  
Chief Operating OfficerPlace: Mumbai  
Date : May 26, 2022**ALOK GOEL**  
Company SecretaryPlace: Noida  
Date : May 26, 2022Place: Noida  
Date : May 26, 2022

## STATEMENT OF PROFIT AND LOSS

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Continuing Operations:</b>			
<b>Revenue</b>			
Revenue from contract with customers	25 (a)	52,970	36,353
Other operating revenue	25 (b)	478	339
<b>Total revenue from operations</b>		<b>53,448</b>	<b>36,692</b>
Other income	26	7,114	1,104
<b>Total income</b>		<b>60,562</b>	<b>37,796</b>
<b>Expenses</b>			
Cost of materials consumed	27	33,835	21,793
Purchase of stock-in-trade		920	701
Changes in inventory of finished goods, work-in-progress and stock in trade	28	(828)	(649)
Employee benefits expense	29	6,077	5,025
Depreciation and amortisation expense	32	2,042	1,983
Finance costs	31	1,411	897
Other expenses	30	7,426	5,415
<b>Total expenses</b>		<b>50,883</b>	<b>35,165</b>
<b>Profit before exceptional items and tax from continuing operations</b>		<b>9,679</b>	<b>2,631</b>
Exceptional (income) / expenses	51	481	199
<b>Profit before tax from continuing operations</b>		<b>9,198</b>	<b>2,432</b>
<b>Tax expenses</b>	33		
-Current tax		970	609
-Deferred tax expense/ (credit)		232	(118)
<b>Total tax expense</b>		<b>1,202</b>	<b>491</b>
<b>Profit for the year from continuing operations</b>		<b>7,996</b>	<b>1,941</b>
<b>Discontinued operations:</b>	51		
Revenue from operations		39,735	41,382
Other income		207	275
Total expenses		35,096	37,261
<b>Profit before tax from discontinued operations</b>		<b>4,846</b>	<b>4,396</b>
Tax expense/ (credit) of discontinued operations		1,204	1,129
<b>Profit for the year from discontinued operations</b>		<b>3,642</b>	<b>3,267</b>
<b>Profit for the year from continuing and discontinued operations</b>		<b>11,638</b>	<b>5,207</b>

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Other comprehensive income from continuing operations</b>			
<b>Items to be reclassified to profit or loss</b>			
Deferred gain / (losses) on cash flow hedges		312	(346)
Deferred tax on cash flow hedges		(78)	87
<b>Items not to be reclassified to profit or loss</b>			
Changes in fair valuation of FVOCI equity investment		(39)	6
Deferred tax on fair valuation of FVOCI equity investment		40	(1)
Remeasurements of employment benefit obligations		66	36
Deferred tax on remeasurements of employment benefit obligations		(17)	(9)
<b>Other comprehensive income from discontinued operations</b>			
<b>Items not to be reclassified to profit or loss</b>			
Remeasurements of employment benefit obligations		(29)	(11)
Deferred tax on remeasurements of employment benefit obligations		7	3
<b>Total other comprehensive income from continuing and discontinued operations</b>		<b>262</b>	<b>(235)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>11,900</b>	<b>4,972</b>
<b>Earnings per share</b>	34		
Nominal value per share: ₹ 1/- (Previous year : ₹ 1/-)			
<b>Earnings per share for continuing operations</b>			
Basic and Diluted		2.29	0.61
<b>Earnings per share for discontinued operations</b>			
Basic and Diluted		1.04	1.03
<b>Earnings per share for continuing and discontinued operations</b>			
Basic and Diluted		3.33	1.65
Summary of significant accounting policies	2		

This is the Statement of Profit and Loss referred to in our report of even date

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **PANKAJ CHADHA**  
Partner  
Membership No.: 091813

Place: Noida  
Date : May 26, 2022

The above Standalone statement of profit and loss should be read in conjunction with the accompanying notes

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

Place: Mumbai  
Date : May 26, 2022

**KUNAL MALANI**  
Chief Financial Officer

Place: Mumbai  
Date : May 26, 2022

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Place: Mumbai  
Date : May 26, 2022

**ALOK GOEL**  
Company Secretary

Place: Noida  
Date : May 26, 2022



## STATEMENT OF CHANGES IN EQUITY

### A. Equity share capital

	Notes	Amount
As at April 01, 2020		3,158
Issue of equity share capital	15	-
<b>As at March 31, 2021</b>		<b>3,158</b>
Issue of equity share capital (net) in relation to merger pursuant to Composite Scheme (refer note 51)	15	1,360
<b>As at March 31, 2022</b>		<b>4,518</b>

### A. Other equity

	Notes	Reserves and surplus					Items of OCI		Total
		Securities premium	Reserve on amalgamation	Capital Reserve	General Reserve	Retained Earnings	FVOCI equity investments	Hedge Reserve	
Balance as at March 31, 2020		26,226	1,663	-	3,363	27,901	133	-	<b>59,286</b>
Effect of merger of Motherhood Polymers Compounding Solution Ltd (refer note 50)		-	110	80	-	(176)	-	-	<b>14</b>
<b>Balance as at April 01, 2020</b>		<b>26,226</b>	<b>1,773</b>	<b>80</b>	<b>3,363</b>	<b>27,725</b>	<b>133</b>	<b>-</b>	<b>59,300</b>
Profit for the year		-	-	-	-	5,207	-	-	<b>5,207</b>
Other comprehensive income		-	-	-	-	19	5	(259)	<b>(235)</b>
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,226</b>	<b>5</b>	<b>(259)</b>	<b>4,972</b>
<b>Balance at March 31, 2021</b>		<b>26,226</b>	<b>1,773</b>	<b>80</b>	<b>3,363</b>	<b>32,951</b>	<b>138</b>	<b>(259)</b>	<b>64,272</b>
Profit for the year		-	-	-	-	11,638	-	-	<b>11,638</b>
Other comprehensive income		-	-	-	-	27	1	234	<b>262</b>
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,665</b>	<b>1</b>	<b>234</b>	<b>11,900</b>
Additions during the year									
Addition in relation to merger pursuant to Composite Scheme (refer note 51)	16 (a)	240,467	-	3,612	-	-	-	-	<b>244,079</b>
Dividend paid	16 (a)	-	-	-	-	(4,737)	-	-	<b>(4,737)</b>
Cancellation of investment in Motherhood Sumi Wiring India Limited pursuant to composite scheme (refer note 51)	16 (a)	-	-	(1)	-	-	-	-	<b>(1)</b>

	Notes	Reserves and surplus					Items of OCI		Total
		Securities premium	Reserve on amalgamation	Capital Reserve	General Reserve	Retained Earnings	FVOCI equity investments	Hedge Reserve	
Transferred in relation to demerger pursuant to Composite Scheme (refer note 51)	16 (a)	-	-	-	-	(10,721)	-	-	<b>(10,721)</b>
Reclassification due to changes in equity instruments	16 (a)	-	-	-	-	36	(36)	-	-
<b>Balance at March 31, 2022</b>		<b>266,693</b>	<b>1,773</b>	<b>3,691</b>	<b>3,363</b>	<b>29,194</b>	<b>103</b>	<b>(25)</b>	<b>304,792</b>
Summary of significant accounting policies	2								

This is the Statement of change in equity referred to in our report of even date

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **PANKAJ CHADHA**  
Partner  
Membership No.: 091813

Place: Noida  
Date : May 26, 2022

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

Place: Mumbai  
Date : May 26, 2022

**KUNAL MALANI**  
Chief Financial Officer

Place: Mumbai  
Date : May 26, 2022

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Place: Mumbai  
Date : May 26, 2022

**ALOK GOEL**  
Company Secretary

Place: Noida  
Date : May 26, 2022

**CASH FLOW STATEMENT**

Particulars	For the year Ended March 31, 2022	For the year Ended March 31, 2021
<b>A. Cash flow from operating activities:</b>		
Profit before tax from continuing operations	9,198	2,432
Profit before tax from discontinued operations	4,846	4,396
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation expense	2,424	2,485
Amortisation of government grant	(85)	(32)
Gain on disposal of property, plant and equipment (net)	(28)	(13)
Liabilities written back to the extent no longer required	(35)	(17)
Bad debts/ advances written off	16	0
Provision for doubtful debts/ advances	-	0
Provision for diminution in the value of investment	70	-
Interest income	(1,240)	(621)
Dividend income	(4,549)	(0)
Finance cost	1,504	984
Unrealised foreign exchange gain (net)	(87)	(41)
<b>Operating profit before working capital changes</b>	<b>12,034</b>	<b>9,573</b>
<b>Change in working Capital:</b>		
Increase/ (decrease) in trade payables	1,216	2,576
Increase/ (decrease) in other payables	1,808	(24)
Increase/ (decrease) in other financial liabilities	561	17
(Increase)/ decrease in trade receivables	(4,534)	(3,518)
(Increase)/ decrease in inventories	(3,135)	(3,600)
(Increase)/ decrease in other financial assets	(435)	(168)
(Increase)/ decrease in other receivables	(1,313)	(192)
<b>Cash generated from operations</b>	<b>6,202</b>	<b>4,664</b>
- Income taxes paid (net of refund)	(2,519)	(1,262)
<b>Net cash generated from operations</b>	<b>3,683</b>	<b>3,401</b>
<b>Net cash flows from operating activities</b>	<b>3,683</b>	<b>3,401</b>
<b>B. Cash flow from Investing activities:</b>		
Payments for property, plant and equipment and investment property (including capital work in progress)	(2,888)	(1,927)
Proceeds from sale of property, plant and equipment & Right-of-use assets	306	23
Proceeds from sale / (payment for purchase) of investments (net)	-	(8,636)
Loan (to)/repaid by related parties (net)	5,500	(26,725)
Interest received	1,403	251
Dividend received from subsidiaries	4,547	-
Dividend received from others	2	0
(Investment)/ proceeds from maturity of deposits with remaining maturity for more than 3 months	3	0
<b>Net cash generated from / (used in) investing activities</b>	<b>8,873</b>	<b>(37,014)</b>

Particulars	For the year Ended March 31, 2022	For the year Ended March 31, 2021
<b>C. Cash flow from financing activities:</b>		
Dividend paid to equity share holders	(4,731)	(5)
Interest paid	(2,654)	(299)
Proceeds from long term borrowings	11,474	34,690
Proceeds from short term borrowings	14,210	1,200
Repayment of long term borrowings	(11,841)	(0)
Repayment of short term borrowings	(15,660)	(1,279)
Payment of lease liabilities	(191)	(177)
<b>Net cash (used in)/generated from financing activities</b>	<b>(9,393)</b>	<b>34,130</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>3,163</b>	<b>517</b>
Net foreign exchange difference on balance with banks in foreign currency	71	50
<b>Net Cash and Cash equivalents at the beginning of the year</b>	<b>2,867</b>	<b>2,300</b>
Cash and cash equivalents acquired consequent to Composite Scheme of Amalgamation and Arrangement (refer note 51)	145	-
<b>Cash and cash equivalents as at year end</b>	<b>6,246</b>	<b>2,867</b>
<b>Cash and cash equivalents comprise of the following (Note 13)</b>		
Cash and cash equivalent - discontinued operations (refer note 51)	-	372
Cash on hand	3	2
Cheques/drafts on hand	17	41
Balances with banks	6,226	2,452
<b>Cash and cash equivalents as at year end</b>	<b>6,246</b>	<b>2,867</b>
Summary of significant accounting policies (Note 2)		

Notes:

- The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in brackets indicate Cash Outflow.

This is the Cash Flow Statement referred to in our report of even date

The above Standalone cash flow statement should be read in conjunction with the accompanying notes

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board

per **PANKAJ CHADHA**  
Partner  
Membership No.: 091813

**V.C. SEHGAL**  
Chairman  
**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Place: Mumbai  
Date : May 26, 2022

Place: Mumbai  
Date : May 26, 2022

**KUNAL MALANI**  
Chief Financial Officer

**ALOK GOEL**  
Company Secretary

Place: Noida  
Date : May 26, 2022

Place: Mumbai  
Date : May 26, 2022

Place: Noida  
Date : May 26, 2022



**1. Corporate Information**

Samvardhana Motherson International limited (formerly known as Motherson Sumi Systems Limited) (new SAMIL or 'the Company') was incorporated on December 19, 1986 and domiciled in India and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The address of its registered office is Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra. The Company is a public limited company and is listed in the Bombay Stock Exchange and National Stock Exchange.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of directors on May 26, 2022.

**2.1 Significant accounting policies****(a) Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments, refer note 37
- Certain financial assets and liabilities measured at fair value (refer note I below for accounting policy regarding financial instruments)
- Defined benefit pension plans – plan assets measured at fair value, refer note 21

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The financial statements are presented in INR and all values are rounded to the nearest millions (₹ 000,000), except when otherwise indicated.

**(b) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(c) Foreign currencies****(i) Functional and presentation currency**

The Company's functional currency is Indian Rupee (₹) and the financial statements are presented in Indian Rupee (₹).

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges

Foreign exchange differences on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**(d) Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

**Revenue from sale of components**

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

**Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

#### Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### Revenue from assembly of components

The Company has contracts with customers to assemble, on their behalf, customised components from various parts procured from suppliers identified by the customer. The Company is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Company's role is only to arrange for another entity to provide the goods or services, then the Company is an agent and will need to record revenue at the net amount that it retains for its agency services.

#### Revenue from development of tools

The Company develops customised tooling for its customers and recognises its revenue over time using an input method to measure progress towards complete satisfaction of the tool development.

The Company recognises revenue from development of tools over time if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

Where the Company cannot reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

#### Judgments applied in determining amount and timing of revenue

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

##### (i) Determining the timing of satisfaction of tooling development

The Company concluded that revenue for development of tooling is to be recognised over time because the Company's performance does not create asset with an alternative use to the Company since the tools are customised for each customer and the Company has a legally enforceable right to payment of fair value for performance completed to date.

The Company determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Company's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Company recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

##### (ii) Principal versus agent considerations

The Company enters into contracts with its customers to assemble, on their behalf, customised components using various parts procured from suppliers identified by the customer. Under these contracts, the Company provides assembly services (i.e., coordinating the procurement of various parts from the identified suppliers and combining or assembling them into components as desired by the customer). The Company determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the component or obtain benefits from the component. The following factors indicate that the Company does not control the goods before they are being transferred to customers. Therefore, the Company determined that it is an agent in these contracts.

- The Company is not primarily responsible for fulfilling the promise to provide the specified equipment.
- The Company does not have inventory risk before or after the specified component has been transferred to the customer as it purchases various parts on just-in-time basis and only upon contract of the customer.
- The Company has no discretion in establishing the price for the specified component. The Company's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the cost of various parts purchased from the suppliers.
- In addition, the Company concluded that it transfers control over its services (i.e., assembling the component from various parts), at a point in time, upon receipt by the customer of the component, because this is when the customer benefits from the Company's agency service.

##### (iii) Consideration of significant financing component in a contract

The Company develops customised tooling and secondary equipment's for which the manufacturing lead time after signing the contract is usually more than one year. This type of contract includes two payment options for the customer, i.e., payment of the transaction price equal to the cash selling price upon delivery of the tooling or payment of the transaction price as part of the component's selling price. The Company concluded that there is a significant financing component for those contracts where the customer elects to pay along with the component's selling price considering the length of time between the transfer of tooling and secondary equipment and the recovery of transaction price from the customer, as well as the prevailing interest rates in the market, if any.

In determining the interest to be applied to the amount of consideration, the Company concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

##### Consultancy Income

Fees earned for the provision of services are recognised over time or point in time as per contract with the customer. In case of contracts where the customer receives and consumes the benefits simultaneously, as the services are rendered, the revenue is recognised over the term of the contract.

In cases where the customer receives and consume the services at single point in time, revenue is recognised as and when the performance obligation is satisfied.

##### Fee and Commission Income

Fees earned for the provision of guarantees are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. The revenue for such contracts is recognised over the term of the guarantee contract.



**Trade Receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 45.

**Contract Assets**

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Company's contract assets are disclosed in Note 45 as Unbilled Receivables.

**Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract Liabilities are disclosed in Note 45 as Advances received from customers.

**Impairment**

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

**(e) Other income****Interest**

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Rental Income**

Rental income arising from investment properties given on leases is accounted for on a straight-line basis over the lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the statement of profit and loss.

**Dividend**

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

**Duty drawback and export incentives**

Income from duty drawback and export incentives is recognized on an accrual basis.

**Royalty income**

Royalty income is recognized in Other operating income on an accrual basis in accordance with the substance of the relevant agreements.

**(f) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

When government grants relating to loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**(g) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**Investment allowances and similar tax incentives:**

The Company may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Company accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

**(h) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration is considered as lease.

**As a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**As a Lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general

inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

**(i) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the end of the financial year at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

**(j) Cash and cash equivalents**

Cash and cash equivalent includes cash on hand, cash at banks and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**(k) Inventories**

Raw materials, stores and spares, work in progress, stock in trade and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## (I) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debt instruments at amortised cost

This category is the most relevant to the Company. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

#### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. The Company elected to classify irrevocably its non-listed equity investments under this category.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or



- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the "accumulated impairment amount".

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

##### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and other payables.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company’s senior management determines change in the business model as a result of external or internal changes which are significant to the Company’s operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(m) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, 36 and 37)
- Quantitative disclosures of fair value measurement hierarchy (note 36)
- Investment properties (note 4)
- Financial instruments (including those carried at amortised cost) (note 6, 7, 8, 9, 13, 17, 18, 19, 36 and 37)

#### (n) Derivative financial instruments and hedge accounting

##### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

##### (i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

The Company has an interest rate swap that is used as a hedge for the exposure of changes in the fair value. See Note 37 for more details.

##### (ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.



**(o) Property, Plant and equipment**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

**Depreciation methods and useful lives**

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful lives(years)*
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Buildings	30 years
Plant & Machinery:	
Plant & Machinery	7.5 years
Die & Moulds	6.17 years
Electric Installation	10 years
Furniture & fixtures	6 years
Office equipment	5 years
Computers:	
Server & Networks	3 years
End user devices, such as desktops, laptops, etc.	3 years
Vehicles	4 years

\*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(p) Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 30 years.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in notes 4.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

**(q) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful live of intangible assets are as follows:

Asset	Useful lives (years)
Software	3 years

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Cost incurred by the Company for Research and Development do not meet the recognition criteria and hence have been classified as research costs and are expensed of in the statement of profit and loss as and when these are incurred.

The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually.

**(r) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(s) Provisions and contingent liabilities****Provisions**

Provisions for legal claims, product warranties and other obligations are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Provision for onerous contracts**

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Company at the end of every reporting period conducts the onerous contract test per the provisions of Ind AS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract exceed the related revenue of the contract, the Company makes a provision for the difference.

**Warranty provisions**

In cases where the obligations include warranty liabilities, the Company provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**(t) Employee benefits****Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Provident Fund & Employee State Insurance**

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

**Superannuation fund**

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The Company contributes up to 12% of the eligible employees' salary or 100,000 / 150,000, whichever is lower, every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligations beyond this contribution.

**Gratuity**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the period in which they arise. They are included in retained earnings through OCI in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

**Compensated Absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit and loss.

**(u) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(v) Earnings per share****(i) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(w) Assets held for distribution to owners and discontinued operations**

The Company classifies assets and disposal groups as held for distribution if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribution will be withdrawn. Management must be committed to the distribution expected within one year from the date of classification.

The criteria for held for distribution classification is regarded met only when the assets or disposal group is available for immediate distribution in its present condition, subject only to terms that are usual and customary for distribution of such assets (or disposal groups), its distribution is highly probable; and it will genuinely be distributed, not abandoned. The Company treats distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to distribute the asset (or disposal group),
- The distribution is expected to qualify for recognition as a completed distribution within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to distribute. Assets and liabilities classified as held distribution are presented separately in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,

- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Additional disclosures are provided in Note 51. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

**(x) New and amended standards and interpretations**

The Company applied for the first time certain standards or amendments which are effective for annual periods beginning on or after April 1, 2021.

**Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

**Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

**Ind AS 116: COVID-19 related rent concessions**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.



These amendments had no impact on the financial statements of the Company

#### Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

#### Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

## 2.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

#### (i) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

#### (ii) Revenue from contracts with customers

The Company applies the judgements in respect to transactions relating to tooling development, Principal versus agent consideration that significant financing component in a contract that significantly affect the determination of the amount and timing of revenue from contracts with customers. For more details, refer note 2.1 (d)

#### (iii) Discontinued operations

The Board of Directors in its meeting dated July 02, 2020, approved a group reorganization plan with the objective of creating value for the shareholders of the Company. The reorganization plan approved by the respective Boards of the Company and erstwhile Samvardhana Motherson International Limited ("erstwhile SAMIL") among other things, entails demerger of Domestic Wiring Harness ("DWH") business in India from

the Company into a new company Motherson Sumi Wiring India Limited ("MSWIL"). The operations of DWH business were considered as discontinued operation and classified as held for distribution to owners. The Board considered the Company to meet the criteria to be classified as held for distribution at that date for the following reasons:

- The operations of DWH business were available for immediate distribution and can be sold in its current condition.
- The actions to complete the distribution were initiated and were expected to be completed within one year.
- In the current year, the Scheme has been approved by Hon'ble NCLT vide its order dated December 22, 2021

For more details, refer to Note 51

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (i) Useful life of property, plant and equipment, intangible and investment properties

The Company uses its technical expertise along with historical and industry trends for determining the economic useful life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised amount is charged over the remaining useful life of the assets.

#### (ii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligations are given in Note 21.

#### (iii) Fair valuation of unlisted securities

When the fair value of unlisted securities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 36 of the financials.

#### (iv) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Valuation of recoverable income tax assets especially with respect to deferred tax assets on tax loss carry forwards. The Company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

### (v) Percentage completion of recognition of revenue

The Company uses the percentage-of-completion method in accounting for 'development of tools' contracts. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

### (vi) Provisions and liabilities

The Company estimates the provisions and liabilities and to the probability of expenses arising from warranty claims and claims from legal disputes that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 3(a) Property, plant and equipment

Particulars	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery Refer note (iv)	Furniture & fixtures	Office equipments	Computers	Vehicles	Total	Capital work in progress Refer note (iii)
<b>Year ended March 31, 2021</b>										
<b>Gross carrying amount</b>										
As at April 01, 2020	987	109	8,881	15,068	228	231	410	41	25,955	903
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	-	29	-	90	1	0	1	0	121	-
<b>As at April 01, 2020</b>	<b>987</b>	<b>138</b>	<b>8,881</b>	<b>15,158</b>	<b>229</b>	<b>231</b>	<b>411</b>	<b>41</b>	<b>26,076</b>	<b>903</b>
Additions	85	7	192	1,050	2	12	58	23	1,429	231
Disposals	-	(1)	-	(52)	-	-	-	(14)	(67)	-
Transferred in relation to demerger pursuant to Composite Scheme (refer note 51)	-	-	-	(3,505)	(27)	(79)	(250)	(11)	(3,872)	(1)
Transfer / Other adjustment	-	1	264	588	-	-	-	-	853	(852)
<b>Closing gross carrying amount</b>	<b>1,072</b>	<b>145</b>	<b>9,337</b>	<b>13,239</b>	<b>204</b>	<b>164</b>	<b>219</b>	<b>39</b>	<b>24,419</b>	<b>281</b>
<b>Accumulated depreciation</b>										
As at April 01, 2020	-	75	1,332	8,162	119	136	298	14	10,136	-
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	-	29	-	90	1	0	1	0	121	-
<b>As at April 01, 2020</b>	<b>-</b>	<b>104</b>	<b>1,332</b>	<b>8,252</b>	<b>120</b>	<b>136</b>	<b>299</b>	<b>14</b>	<b>10,257</b>	<b>-</b>
Depreciation charge during the year	-	13	348	1,720	27	33	73	14	2,228	-
Disposals	-	(1)	-	(44)	-	-	-	(12)	(57)	-
Transferred in relation to demerger pursuant to Composite Scheme (refer note 51)	-	-	-	(2,025)	(20)	(54)	(206)	(8)	(2,313)	-

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery Refer note (iv)	Furniture & fixtures	Office equipments	Computers	Vehicles	Total	Capital work in progress Refer note (iii)
<b>Closing accumulated depreciation</b>	-	116	1,680	7,903	127	115	166	8	10,115	-
<b>Net carrying amount</b>	1,072	29	7,657	5,336	77	49	53	31	14,304	281
<b>Year ended March 31, 2022</b>										
<b>Gross carrying amount</b>										
<b>As at April 01, 2021</b>	1,072	145	9,337	13,239	204	164	219	39	24,419	281
Additions	20	-	475	1,271	3	19	43	14	1,845	706
Disposals	-	-	-	(115)	(2)	(1)	(4)	(22)	(144)	-
Addition in relation to merger pursuant to Composite Scheme (refer note 51)	-	36	-	-	3	32	5	-	76	-
Transfer to investment properties (refer note 4)	(329)	-	(4,148)	-	-	-	-	-	(4,477)	-
Transfer / Other adjustment	(0)	(1)	16	431	(1)	2	0	2	449	(449)
<b>Closing gross carrying amount</b>	763	180	5,680	14,826	207	216	263	33	22,168	538
<b>Accumulated depreciation</b>										
<b>As at April 01, 2021</b>	-	116	1,680	7,903	127	115	166	8	10,115	-
Depreciation charge during the year	-	13	202	1,395	24	22	34	13	1,703	-
Disposals	-	-	-	(66)	(2)	(1)	(1)	(16)	(86)	-
Addition in relation to merger pursuant to Composite Scheme (refer note 51)	-	30	-	-	2	26	1	-	59	-
Transfer to investment properties (refer note 4)	-	-	(746)	-	-	-	-	-	(746)	-
Transfer / Other adjustment	-	(2)	16	(15)	(1)	2	(0)	(0)	(0)	-
<b>Closing accumulated depreciation</b>	-	157	1,152	9,217	150	164	200	5	11,045	-
<b>Net carrying amount</b>	763	23	4,528	5,609	57	52	63	28	11,123	538

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**Capital work in progress (CWIP) Ageing Schedule as at March 31, 2022**

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	528	6	3	1	538
- Projects temporarily suspended	-	-	-	-	-

**Capital work in progress (CWIP) Ageing Schedule as at March 31, 2021**

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	237	44	-	-	281
- Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022 and March 31, 2021 there are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

- Refer to note 44 for information on property plant and equipment pledged as security by the Company.
- Contractual obligations: Refer to note 42 for disclosure on contractual commitments for the acquisition of property, plant and equipment.
- Capital work-in-progress: Capital work-in-progress mainly comprise plant & machinery, building and furniture.
- Includes depreciation of ₹ 18 million ( March 31,2021: ₹ 17 million) capitalized during the year on assets used for the creation of self generated assets. (refer note. 32)
- As at Balance sheet date, certain land and buildings (included under property, plant and equipment) were given on sublease arrangements to the Motherson Sumi Wiring India Limited ('MSWIL') consequent to the approval of Composite Scheme, to which the Company is original owner is now being classified as investment properties. (refer note 4)

The Company is in process of obtaining necessary approvals from respective government authorities for executing these sublease arrangements for land.

**3(b) Right-of-use assets**

Particulars	Land Refer note (i)	Buildings	Vehicles	Total
<b>Year ended March 31, 2021</b>				
<b>Gross carrying amount</b>				
As at April 01, 2020	2,159	658	426	3,243
Additions (refer note 40)	9	33	98	140
Disposals	-	-	(18)	(18)
Transferred in relation to demerger pursuant to Composite Scheme (refer note 51)	-	-	(278)	(278)
<b>Closing gross carrying amount</b>	2,168	691	228	3,087



**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Land Refer note (i)	Buildings	Vehicles	Total
<b>Accumulated depreciation</b>				
As at April 01, 2020	282	104	141	<b>527</b>
Depreciation charge during the year	26	107	115	<b>248</b>
Disposals	-	-	(3)	<b>(3)</b>
Transferred in relation to demerger pursuant to Composite Scheme (refer note 51)	-	-	(140)	<b>(140)</b>
<b>Closing accumulated depreciation</b>	<b>308</b>	<b>211</b>	<b>113</b>	<b>632</b>
<b>Net carrying amount</b>	<b>1,860</b>	<b>480</b>	<b>115</b>	<b>2,455</b>
<b>Year ended March 31, 2022</b>				
<b>Gross carrying amount</b>				
<b>As at April 01, 2021</b>	2,168	691	228	<b>3,087</b>
Additions (refer note 40)	-	55	162	<b>217</b>
Disposals	(273)	(272)	(37)	<b>(582)</b>
Addition in relation to merger pursuant to Composite Scheme (refer note 51)	-	123	78	<b>201</b>
Transfer to Investment properties (refer note ii)	(396)	-	-	<b>(396)</b>
Transfer / Other adjustment	(8)	(0)	67	<b>59</b>
<b>Closing gross carrying amount</b>	<b>1,491</b>	<b>597</b>	<b>498</b>	<b>2,586</b>
<b>Accumulated depreciation</b>				
<b>As at April 01, 2021</b>	<b>308</b>	<b>211</b>	<b>113</b>	<b>632</b>
Depreciation charge during the year	19	86	67	<b>172</b>
Disposals	(8)	(87)	(34)	<b>(129)</b>
Addition in relation to merger pursuant to Composite Scheme (refer note 51)	-	87	29	<b>116</b>
Transfer to Investment properties (refer note ii)	(32)	-	-	<b>(32)</b>
Transfer / Other adjustment	(1)	0	35	<b>34</b>
<b>Closing accumulated depreciation</b>	<b>286</b>	<b>297</b>	<b>210</b>	<b>793</b>
<b>Net carrying amount</b>	<b>1,205</b>	<b>300</b>	<b>288</b>	<b>1,793</b>

- (i) Leasehold land represents land obtained on long term lease from various government authorities and considered as finance lease. (refer note 46).
- (ii) As at Balance sheet date, certain land (included under Right-of-use-assets) were given on sublease arrangements to the Motherson Sumi Wiring India Limited ("MSWIL") consequent to the approval of Composite Scheme, to which the Company is original lessee now being classified as investment properties. (refer note 4) The Company is in process of obtaining necessary approvals from respective government authorities for executing these sublease arrangements for land.

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**4 Investment properties**

	As at March 31, 2022	As at March 31, 2021
<b>Gross carrying amount</b>		
<b>Opening gross carrying amount</b>	<b>1,085</b>	<b>972</b>
Add: Additions during the year	-	113
Add: Transfer from Property, plant and equipment (refer note 3(a))	4,477	-
Add: Transfer from Right-of-use assets (refer note 3(b))	396	-
Less: Deletions during the year	-	-
<b>Closing gross carrying amount</b>	<b>5,958</b>	<b>1,085</b>
<b>Accumulated depreciation:</b>		
Opening balance	250	225
Add: Transfer from Property, plant and equipment (refer note 3(a))	746	-
Add: Transfer from Right-of-use assets (refer note 3(b))	32	-
Add: Depreciation for the year	182	25
Less: Deletions during the year	-	-
<b>Closing accumulated depreciation</b>	<b>1,210</b>	<b>250</b>
<b>Net carrying amount</b>	<b>4,748</b>	<b>835</b>

**(i) Amounts recognised in profit or loss for investment properties:**

	March 31, 2022	March 31, 2021
Rental Income	577	17
Direct operating expenses from properties that did not generate rental income	(0)	(1)
<b>Profit from investment properties before depreciation</b>	<b>577</b>	<b>16</b>
Depreciation	182	25
<b>Profit / (loss) from investment properties</b>	<b>395</b>	<b>(9)</b>

**(ii) Contractual obligations:**

Refer note 42 for disclosure of contractual obligation towards purchase of investment properties.

**(iii) Leasing arrangements:**

Certain investment properties are leased out under long-term and short-term cancellable operating leases with rentals payable monthly.

**(iv) Fair value:**

	March 31, 2022	March 31, 2021
Investment properties	8,844	1,844

**Estimation of fair value**

The fair values of investment properties have been determined by registered valuers as defined under Rule 2 of Companies (Registered valuers and Valuation) Rules, 2017. The fair valuation is based on prevailing market prices/ price trend of the property in that locality/ city considering the location, size of plot, approach road, amenities, locality etc.

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### 5 Intangible assets

	Software	
	March 31, 2022	March 31, 2021
<b>Gross carrying amount</b>		
<b>Opening gross carrying amount</b>	17	17
Additions	17	-
<b>Closing gross carrying amount</b>	<b>34</b>	<b>17</b>
<b>Accumulated amortisation</b>		
Opening balance	17	17
Amortisation charge during the year	3	-
<b>Closing accumulated amortisation</b>	<b>20</b>	<b>17</b>
<b>Net carrying amount</b>	<b>14</b>	<b>0</b>

### 6(a) Non-Current investments

	As at March 31, 2022	As at March 31, 2021
<b>Equity Investments</b>		
<b>Investment in subsidiaries, joint ventures and associate</b>		
<b>(Unquoted instruments valued at cost unless stated otherwise)</b>		
<b>Investment in Subsidiaries :</b>		
<b>MSSL Mauritius Holdings Limited</b>		
37,820,080 (March 31, 2021: 37,820,080) equity shares of EUR 1 each fully paid-up	2,284	2,284
Net of provision for other than temporary diminution aggregating to ₹ 70 million (March 31, 2021 : ₹ 70 million)		
<b>MSSL Mideast (FZE)</b>		
1 (March 31, 2021: 1) equity share of AED 150,000 equivalent to EUR 46,875 each fully paid-up	2	2
44,170,000 (March 31, 2021: 44,170,000) equity shares of EUR 1 each fully paid-up	3,111	3,111
50,000,000 (March 31, 2021: 50,000,000) equity shares of EUR 1 each fully paid-up at a premium of EUR 2.60 per share	12,719	12,719
Add: Effective portion of fair value hedge (refer note 37)	2,086	2,349
<b>Motherson Electrical Wires Lanka Private Limited</b>		
1,456,202 (March 31, 2021: 1,456,202) equity shares of LKR 10 each fully paid-up	7	7
<b>MSSL (S) PTE Limited</b>		
20,554,700 (March 31, 2021: 20,554,700) equity shares of SGD 1 each fully paid-up	960	960

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>Samvardhana Motherson Polymers Limited</b>		
522,750 (March 31, 2021: 522,750) equity shares of ₹ 10 each fully paid-up	5	5
1,351,500 (March 31, 2021: 1,351,500) equity shares of ₹ 10 each fully paid-up at a premium of ₹ 190 per share	270	270
46,920 (March 31, 2021: 46,920) equity shares of ₹ 10 each fully paid-up at a premium of ₹ 2,300 per share	108	108
510 (March 31, 2021: 510) equity shares of ₹ 10 each fully paid-up at a premium of ₹ 4,990 per share	3	3
1,846,320 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	58,506	-
<b>SMR Automotive Systems India Limited</b>		
6,712,990 (March 31, 2021: 6,712,990) equity shares of ₹ 10 each fully paid-up	67	67
<b>Motherson Innovations Tech Limited</b>		
50,000 (March 31, 2021: 50,000) equity shares of ₹ 10 each fully paid-up	1	1
<b>MSSL (GB) Limited</b>		
201,461,836 (March 31, 2021: 201,461,836) equity shares of GBP 1 each fully paid-up at a premium of GBP 0.50 per share. (These shares are pledged against borrowings, for further details refer note 17(a) and note 44)	24,705	24,705
<b>Motherson Sumi Wiring India Limited (Joint venture pursuant to Composite Scheme (refer note 51))</b>		
Nil (March 31, 2021: 500,000) equity shares of ₹ 1 each fully paid-up	-	1
<b>Motherson Technology Services Limited (formerly known as Motherson Sumi Infotech &amp; Designs Limited) (subsidiary pursuant to Composite Scheme (refer note 51))</b>		
1,200,000 (March 31, 2021: Nil) equity shares of ₹ 10 each fully paid-up	146	-
6,962,446 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	846	-
<b>Saks Ancillaries Limited (subsidiary pursuant to Composite Scheme (refer note 51))</b>		
1,000,000 (March 31, 2021: Nil) equity shares of ₹ 10 each fully paid-up	11	-
<b>Samvardhana Motherson Finance Services Cyprus Limited</b>		
46,168 (March 31, 2021: Nil) Equity shares of USD 1/- fully paid up <sup>1</sup>	713	-
Net of provision for other than temporary diminution aggregating to ₹ 70 million (March 31, 2021 : Nil)		
<b>Samvardhana Motherson Holding (M) Private Limited</b>		
1,684,296 (March 31, 2021: Nil) fully paid up Ordinary shares of no par value <sup>1</sup>	123,976	-
<b>Motherson Molds and Diecasting Limited</b>		
3,468,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	80	-

**NOTES TO THE FINANCIAL STATEMENTS**

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	As at March 31, 2022	As at March 31, 2021
<b>Samvardhana Motherson Innovative Solutions Limited</b>		
280,286,269 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	6,967	-
38,961,038 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up at a premium of ₹ 13.10 per share (through conversion of Optionally Convertible Debentures) <sup>1</sup>	900	-
<b>Motherson Consultancies Service Limited</b>		
2,600,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	52	-
<b>CTM India Limited</b>		
1,181,040 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	1,247	-
<b>Samvardhana Motherson Auto Component Private Limited</b>		
28,999,990 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	360	-
<b>MS Global India Automotive Private Limited</b>		
70,000,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	1,291	-
<b>Samvardhana Motherson Maadhyam International Limited</b>		
50,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	-	-
<b>Samvardhana Motherson Global Carriers Limited</b>		
46,000,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	868	-
<b>Motherson Invenzen Xlab Private Limited</b>		
20,410 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	0	-
<b>Motherson Air Travel Agencies Limited</b>		
555,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	430	-
<b>(A)</b>	<b>242,721</b>	<b>46,592</b>
<b>Investment in joint ventures :</b>		
<b>Kyungshin Industrial Motherson Private Limited</b>		
17,200,000 (March 31, 2021: 17,200,000) equity shares of ₹ 10 each fully paid-up	86	86
<b>Calsonic Kansei Motherson Auto Products Limited</b>		
30,930,836 (March 31, 2021: 30,930,836) equity shares of ₹ 10 each fully paid-up	400	400
<b>Motherson Sumi Wiring India Limited (Joint venture pursuant to Composite Scheme (refer note 51))</b>		
1,055,750,653 (March 31, 2021: Nil) equity shares of ₹ 1 each fully paid-up <sup>1</sup> (375,000,000 shares are pledged against borrowings, for further details refer note 17(a) and note 44)	36,729	-
<b>Valeo Motherson Thermal Commercial Vehicles India Limited</b>		
2,989,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	1,021	-

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	As at March 31, 2022	As at March 31, 2021
<b>Matsui Technologies India Limited</b>		
1,999,999 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	1,230	-
<b>Motherson Bergstrom HVAC Solutions Private Limited</b>		
6,500,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	65	-
<b>Fritzmeier Motherson Cabin Engineering Private Limited</b>		
25,000,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	1,202	-
<b>Marelli Motherson Automotive Lighting India Private Limited</b>		
1,900,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	9,485	-
<b>Marelli Motherson Auto Suspension Parts Private Limited</b>		
113,450,000 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	1,268	-
<b>Youngshin Motherson Auto Tech Limited</b>		
11,776,100 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	118	-
<b>(B)</b>	<b>51,604</b>	<b>486</b>
<b>Investment in Associates:</b>		
<b>Saks Ancillaries Limited (subsidiary pursuant to Composite Scheme (refer note 51))</b>		
Nil (March 31, 2021: 1,000,000) equity shares of ₹ 10 each fully paid-up	-	11
<b>(C)</b>	<b>-</b>	<b>11</b>
<b>Investment in preference shares:</b>		
<b>Investment in subsidiary companies:</b>		
<b>MSSL Mauritius Holdings Limited (Subsidiary)</b>		
Compulsorily convertible preference shares aggregating to EUR 100 million (March 31, 2021: EUR 100 million)	8,636	8,636
Add / (Less): Exchange gain / (loss) on translation	(250)	(62)
<b>Samvardhana Motherson Holding (M) Private Limited</b>		
3,555,175 (March 31, 2021: Nil) Fully paid up Redeemable Preference shares of no par value <sup>1</sup>	244	-
<b>Samvardhana Motherson Innovative Solutions Limited</b>		
2,500,000 (March 31, 2021: Nil) 7% Optionally Convertible Cumulative Redeemable Preference shares of ₹ 10/- each fully paid up <sup>1</sup>	51	-
<b>Samvardhana Motherson Innovative Solutions Limited</b>		
2,000,000 (March 31, 2021: Nil) 7% Optionally Convertible Cumulative Redeemable Preference shares of ₹ 10/- each fully paid up <sup>1</sup>	50	-



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	As at March 31, 2022	As at March 31, 2021
<b>Motherson Invenzen Xlab Private Limited</b>		
4,990,000 (March 31, 2021: Nil) 3% Optionally Convertible Redeemable Preference shares of ₹ 10/- each fully paid up <sup>1</sup>	51	-
<b>Investment in joint venture:</b>		
<b>Valeo Motherson Thermal Commercial Vehicles India Limited</b>		
931,000 (March 31, 2021: Nil) 5% Optionally Convertible Non-Cumulative Redeemable Preference shares of ₹ 10/- each fully paid up <sup>1</sup>	9	-
<b>Marelli Motherson Automotive Lighting India Private Limited</b>		
73,100,000 (March 31, 2021: Nil) 0% Compulsorily Convertible Non-Cumulative Preference shares of ₹ 10/- each fully paid up <sup>1</sup>	738	-
<b>(D)</b>	<b>9,529</b>	<b>8,574</b>
<b>Total Investments in subsidiaries, joint ventures and associate (A+B+C+D)</b>	<b>303,854</b>	<b>55,663</b>
<b>Equity investments at FVOCI</b>		
<b>Unquoted</b>		
<b>Motherson Technology Services Limited (formerly known as Motherson Sumi Infotech &amp; Designs Limited) (subsidiary pursuant to Composite Scheme (refer note 51))</b>		
Nil (March 31, 2021: 1,200,000) equity shares of ₹ 10 each fully paid up	-	185
<b>Echanda Urja Private Limited</b>		
120,645 (March 31, 2021: 120,645) equity shares of ₹ 10 each fully paid up	1	1
<b>Systematic Conscom Limited</b>		
2,500 (March 31, 2021: Nil) Equity shares of ₹ 10/- each fully paid up <sup>1</sup>	2	-
<b>(E)</b>	<b>3</b>	<b>186</b>
<b>Total Investments (A+B+C+D+E)</b>	<b>303,856</b>	<b>55,849</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	303,996	55,919
Aggregate amount of impairment in the value of investments	140	70

<sup>1</sup> Pursuant to Composite Scheme, the aforesaid investments were acquired through merger with erstwhile SAMIL (refer note 51)

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**6(b) Current investments**

	March 31, 2022	March 31, 2021
<b>Investment in equity instruments at FVOCI</b>		
<b>Quoted</b>		
<b>HDFC Bank Limited</b>	6	6
4,070 (March 31, 2021: 4070) equity shares of ₹ 2 each fully paid up		
<b>Balrampur Chini Mills Limited</b>	0	0
1,200 (March 31, 2021: 1,200) equity shares of ₹ 1 each fully paid up		
<b>JD Orgochem Ltd</b>	0	0
100 (March 31, 2021: 100) equity shares of ₹ 10 each fully paid up		
<b>Meyer Apparel Limited</b>	0	0
28,475 (March 31, 2021: 28,475) equity shares of ₹ 3 each fully paid up		
<b>Mahindra &amp; Mahindra Limited</b>	6	6
7,288 (March 31, 2021: 7,288) equity shares of ₹ 5 each fully paid up		
<b>Arcotech Limited</b>	0	0
1,000 (March 31, 2021: 1,000) equity shares of ₹ 2 each fully paid up		
<b>Unquoted</b>		
<b>Pearl Engineering Polymers Limited</b>	-	-
3,160 (March 31, 2021: 3,160) equity shares of ₹ 10 each fully paid up		
<b>Daewoo Motors Limited</b>	-	-
6,150 (March 31, 2021: 6,150) equity shares of ₹ 10 each fully paid up		
<b>Athena Financial Services Limited</b>	-	-
66 (March 31, 2021: 66) equity shares of ₹ 10 each fully paid up		
<b>Inox Leasing &amp; Finance Limited</b>	-	-
Nil (March 31, 2021: 100) equity shares of ₹ 10 each fully paid up		
<b>Total current investments</b>	<b>12</b>	<b>12</b>
Aggregate amount of quoted investments and market value thereof	12	12
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

**7 Loans**

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Loans to related parties (refer note 40 & 49)	3,523	21,142	3,004	23,732
Loans to employees	88	34	52	20
<b>Total</b>	<b>3,611</b>	<b>21,176</b>	<b>3,056</b>	<b>23,752</b>

Disclosures of loans or advances in nature of loans granted to promoters, directors, KMPs and the related parties (as defined under companies act 2013) either severally or jointly with any other person that are repayable on demand are as follows:-

Type of borrowers	March 31, 2022		March 31, 2021	
	Amount of loan or advances in nature of loan outstanding	% of total loan & advances in the nature of loan	Amount of loan or advances in nature of loan outstanding	% of total loan & advances in the nature of loan
Loans to related parties	3,523	14.2%	-	-

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 8 Trade receivables

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
- others	4,264	3,226
- from related parties <sup>1</sup> (refer note 40)	6,951	1,959
Unsecured, credit impaired	1	2
	<b>11,216</b>	<b>5,187</b>
Less: Allowances for credit loss	1	2
<b>Total</b>	<b>11,215</b>	<b>5,185</b>

<sup>1</sup> Includes receivables from companies in which Director of the Company is also a Director

#### Trade receivables ageing schedule:

Undisputed	Trade receivables – considered good		Trade receivable – credit impaired	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current but not due	7,295	4,159	-	-
Outstanding for following periods from due date of payment				
Less than 6 Months	3,639	991	-	-
6 months – 1 year	205	14	-	-
1-2 years	59	13	-	-
2-3 years	7	8	-	-
More than 3 years	10	0	1	2
<b>Total</b>	<b>11,215</b>	<b>5,185</b>	<b>1</b>	<b>2</b>

During the financial year ended March 31, 2022 and March 31, 2021, there are no disputed trade receivables.

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

### 9(a) Other financial assets - Non Current

	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Security deposits	100	25
Interest receivable (refer note 40)	278	88
Derivatives designated as cash flow hedge (refer note 37)	989	551
Derivatives designated as fair value hedge (refer note 37)	60	-
Deposits with original maturity for more than 12 months	2	-
<b>Total</b>	<b>1,429</b>	<b>664</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 9(b) Other financial assets - Current

	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Security deposits	438	448
Interest receivable (refer note 40)	499	375
Unbilled revenue (refer note 45)	934	473
Others	52	165
<b>Total</b>	<b>1,923</b>	<b>1,461</b>

### 10. Other assets

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good, unless otherwise stated</b>				
Capital advances	-	138	-	140
Advances recoverable	526	-	364	-
Prepaid expenses	67	121	29	42
Balances with government authorities	1,217	-	421	-
Subsidy receivable	75	171	102	-
<b>Total</b>	<b>1,885</b>	<b>430</b>	<b>916</b>	<b>182</b>

### 11 Deferred tax assets (net)

	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax assets</b>		
Derivatives designated as fair value hedge	-	411
Provision for employee benefit obligations	204	123
Provision for doubtful debts and advances	0	0
Government grants	0	7
Others	112	-
<b>Deferred tax liabilities</b>		
FVOCI equity instruments	(3)	(42)
Property, plant and equipment and intangible assets & investment properties and net of Right-of-use assets & lease liabilities	(34)	(33)
Derivatives designated as cash flow hedge	(148)	(64)
Derivatives designated as fair value hedge	(15)	-
Others	(2)	(1)
<b>Total</b>	<b>114</b>	<b>401</b>

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**Movement in Deferred tax assets**

	Property, plant and equipment and intangible assets & investment properties and net of Right-of-use assets & lease liabilities	Derivatives designated as fair value hedge	Provision for employee benefits	Provisions for doubtful debts and advances	Government grants	FVOCI equity instruments	Derivatives designated as cash flow hedge	Other items	Total
<b>At April 01, 2020</b>	<b>(48)</b>	<b>220</b>	<b>268</b>	<b>6</b>	<b>31</b>	<b>(41)</b>	<b>-</b>	<b>14</b>	<b>450</b>
<b>(Charged)/ credited:</b>									
to profit or loss	74	191	23	(6)	-	-	(151)	(15)	116
to other comprehensive income	-	-	(9)	-	-	(1)	87	-	77
to profit or loss - discontinued operations (refer note 51)	5	-	15	-	(6)	-	-	-	14
to other comprehensive income - discontinued operations (refer note 51)	-	-	3	-	-	-	-	-	3
Transferred in relation to demerger pursuant to Composite Scheme (refer note 51)	(64)	-	(177)	(0)	(18)	-	-	-	(259)
<b>At March 31, 2021</b>	<b>(33)</b>	<b>411</b>	<b>123</b>	<b>0</b>	<b>7</b>	<b>(42)</b>	<b>(64)</b>	<b>(1)</b>	<b>401</b>
<b>(Charged)/ credited:</b>									
to profit or loss	(1)	(426)	98	(0)	(7)	(1)	(6)	111	(232)
to other comprehensive income	-	-	(17)	-	-	40	(78)	-	(55)
to profit or loss - discontinued operations (refer note 51)	29	-	(26)	-	2	-	-	-	5
to other comprehensive income - discontinued operations (refer note 51)	-	-	7	-	-	-	-	-	7
Transferred in relation to demerger pursuant to Composite Scheme (refer note 51)	(29)	-	19	-	(2)	-	-	-	(12)
<b>At March 31, 2022</b>	<b>(34)</b>	<b>(15)</b>	<b>204</b>	<b>0</b>	<b>0</b>	<b>(3)</b>	<b>(148)</b>	<b>110</b>	<b>114</b>

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**12 Inventories**

(At lower of cost and net realisable value)	As at March 31, 2022	As at March 31, 2021
Raw materials	3,584	3,095
Work-in-progress	1,433	1,135
Finished goods	1,810	1,279
Stores and spares	50	35
<b>Total</b>	<b>6,877</b>	<b>5,544</b>
Inventory include inventory in transit of:		
Raw materials	889	1,254
Finished goods	350	318

**Amount recognised in profit or loss:**

During the year ended March 31, 2022 write down of inventories on account of provision in respect of obsolete/slow moving items amounted to ₹ 98 million (March 31, 2021: write-down amounting ₹ 14 million). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit or loss.

**13 Cash and cash equivalents\***

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- on current accounts	6,214	2,250
- Deposits with original maturity of less than three months	12	202
Cheques/ drafts on hand	17	41
Cash on hand	3	2
<b>Total</b>	<b>6,246</b>	<b>2,495</b>

\* There are no repatriation restrictions with regards to cash and cash equivalents as at March 31, 2022 and March 31, 2021. For asset pledged refer note 44.

**Changes in liabilities arising from financing activities**

	As at March 31, 2021	Cash Flow	Non cash		As at March 31, 2022
			Fair value changes	Other non cash items*	
Non current borrowings (including current maturity of long term borrowing)	46,275	(367)	54	6,740	52,702
Current borrowings	1,525	(1,451)	-	676	750
Lease liabilities	722	(191)	-	180	711
<b>Total liabilities from financing activities</b>	<b>48,522</b>	<b>(2,009)</b>	<b>54</b>	<b>7,596</b>	<b>54,163</b>



## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2020	Cash Flow	Non cash		As at March 31, 2021
			Fair value changes	Other non cash items*	
Non current borrowings (including current maturity of long term borrowing)	11,915	34,690	(10)	(320)	46,275
Current borrowings	2,279	(561)	-	(193)	1,525
Lease liabilities	928	(177)	-	(29)	722
<b>Total liabilities from financing activities</b>	<b>15,122</b>	<b>33,952</b>	<b>(10)</b>	<b>(542)</b>	<b>48,522</b>

\*other non cash items includes, addition in relation to merger pursuant to Composite Scheme (refer note 51), foreign exchange movements in borrowings and new leases taken or termination of lease contracts in case of lease liabilities.

### 14 Other bank balances

	As at March 31, 2022	As at March 31, 2021
Deposits with remaining maturity of more than three months but less than 12 months	2	5
Unpaid dividend account	69	56
<b>Total</b>	<b>71</b>	<b>61</b>

Unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend.

### 15 Share Capital

	As at March 31, 2022	As at March 31, 2021
<b>Authorised*</b>		
12,300,000,000 (March 31,2021 : 6,050,000,000) Equity shares of ₹ 1 each	12,300	6,050
Nil (March 31,2021 : 25,000,000) 8% Convertible Cumulative Preference Shares of ₹ 10 each	-	250

\*During the year ended 31 March 2022, authorised share capital of the Company got changed as a result of transfer of authorised equity share capital to demerged entity (MSWIL) and transfer of authorised equity share capital from amalgamating company (erstwhile SAMIL) as per the Composite Scheme referred under note 51.

	As at March 31, 2022	As at March 31, 2021
<b>Issued, subscribed and Paid up:</b>		
4,517,614,244 (March 31, 2021: 3,157,934,237) Equity Shares of ₹ 1 each	4,518	3,158

#### a. Movement in equity share capital

	Numbers	Amount
As at April 01, 2020	3,157,934,237	3,158
Add: Changes during the year	-	-
<b>As at March 31, 2021</b>	<b>3,157,934,237</b>	<b>3,158</b>
Cancellation of equity share capital in relation to merger pursuant to Composite Scheme (refer note 51)	(1,055,750,653)	(1,056)
Issue of equity share capital in relation to merger pursuant to Composite Scheme (refer note 51) <sup>1</sup>	2,415,430,660	2,416
<b>As at March 31, 2022</b>	<b>4,517,614,244</b>	<b>4,518</b>

<sup>1</sup> Share issued to existing shareholders of erstwhile Samvardhana Motherson International Limited (refer note 51)

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### b. Rights, preferences and restrictions attached to shares

#### Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

### c. Aggregate number of Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2022)

	Aggregate No of Shares issued in five years	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account	1,754,407,910	-	-	-	1,052,644,746	701,763,164

### d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	As at March 31, 2022		As at March 31, 2021	
	Nos.	%	Nos.	%
<b>Equity shares:</b>				
Erstwhile Samvardhana Motherson International Limited	-	-	1,055,750,653	33.43%
Sumitomo Wiring Systems Limited	792,637,291	17.55%	792,637,291	25.10%
Shri Sehgal's Trustee Company Private Limited (Trustee of Sehgal Family Trust)	620,113,431	13.73%	-	-
Mr. Vivek Chaand Sehgal	585,855,096	12.97%	-	-
Ms. Renu Alka Sehgal (Trustee of Renu Sehgal Trust)	560,108,958	12.40%	-	-
Radha Rani Holdings Pte Limited	344,020,623	7.62%	-	-

### e. Details of share holding of promoters group

	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year <sup>^</sup>
<b>As at 31 March 2022</b>					
<b>Individual Promoter</b>					
Mr. Vivek Chaand Sehgal	73,165,402	512,689,694	585,855,096	12.97%	701%
Mr. Laksh Vaaman Sehgal	123	1,020	1,143	0.00%	829%
Ms. Vidhi Sehgal	-	24,331,875	24,331,875	0.54%	100%
Ms. Renu Sehgal	150,085	-	150,085	0.00%	0%
Ms. Geeta Soni	8,610,328	7,580,436	16,190,764	0.36%	88%
Ms. Nilu Mehra	7,869,690	2,442,900	10,312,590	0.23%	31%

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year <sup>^</sup>
<b>Promoters group</b>					
Erstwhile Samvardhana Motherson International Limited (erstwhile SAMIL)	1,055,750,653	(1,055,750,653)	-	0.00%	-100%
Sumitomo Wiring Systems Limited	792,637,291	-	792,637,291	17.55%	0%
Ms. Renu Alka Sehgal (Trustee of Renu Sehgal Trust)	-	560,108,958	560,108,958	12.40%	100%
Motherson Engineering Research and Integrated Technologies Limited	-	74,180,520	74,180,520	1.64%	100%
Shri Sehgal's Trustee Company Private Limited (Trustee of Sehgal Family Trust)	-	620,113,431	620,113,431	13.73%	100%
H. K. Wiring Systems Limited	7,660,351	-	7,660,351	0.17%	0%
Radha Rani Holdings PTE Limited	3,442,623	340,578,000	344,020,623	7.62%	9893%
Advance Technologies And Automotive Resources PTE	-	43,576,475	43,576,475	0.96%	100%
	<b>1,949,286,546</b>	<b>1,129,852,656</b>	<b>3,079,139,202</b>	<b>68.16%</b>	

<sup>^</sup> % change during the year are not comparable because of impact of accounting for the scheme (refer note 51)

	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
<b>As at 31 March 2021</b>					
<b>Individual Promoter</b>					
Mr. Vivek Chaand Sehgal	73,165,402	-	73,165,402	2.32%	0%
Mr. Laksh Vaaman Sehgal	123	-	123	0.00%	0%
Ms. Renu Sehgal	150,085	-	150,085	0.00%	0%
Ms. Geeta Soni	8,610,328	-	8,610,328	0.27%	0%
Ms. Nilu Mehra	7,869,690	-	7,869,690	0.25%	0%
<b>Promoter group</b>					
Erstwhile Samvardhana Motherson International Limited (erstwhile SAMIL)	1,055,750,653	-	1,055,750,653	33.43%	0%
Sumitomo Wiring Systems Limited	792,637,291	-	792,637,291	25.10%	0%
H. K. Wiring Systems Limited	7,660,351	-	7,660,351	0.24%	0%
Radha Rani Holdings PTE Limited	3,442,623	-	3,442,623	0.11%	0%
	<b>1,949,286,546</b>	<b>-</b>	<b>1,949,286,546</b>	<b>61.73%</b>	

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**16(a) Reserves and surplus**

	As at March 31, 2022	As at March 31, 2021
Reserve on amalgamation	1,773	1,773
Securities premium	266,693	26,226
Capital reserve	3,691	80
General reserve	3,363	3,363
Retained earnings	29,194	32,951
<b>Total reserves and surplus</b>	<b>304,714</b>	<b>64,393</b>

**(i) Reserve on amalgamation**

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,773	1,663
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	-	110
<b>Closing balance</b>	<b>1,773</b>	<b>1,773</b>

**(ii) Securities premium**

	As at March 31, 2022	As at March 31, 2021
Opening balance	26,226	26,226
Addition in relation to merger pursuant to Composite Scheme (refer note 51)	240,467	-
<b>Closing balance</b>	<b>266,693</b>	<b>26,226</b>

**(iii) Capital reserve**

	As at March 31, 2022	As at March 31, 2021
Opening balance	80	-
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	-	80
Cancellation of investment in Motherson Sumi Wiring India Limited pursuant to composite scheme (refer note 51)	(1)	-
Addition in relation to merger pursuant to Composite Scheme (refer note 51)	3,612	-
<b>Closing balance</b>	<b>3,691</b>	<b>80</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### (iv) General reserve

	As at March 31, 2022	As at March 31, 2021
Opening balance	3,363	3,363
<b>Closing balance</b>	<b>3,363</b>	<b>3,363</b>

### (v) Retained earnings

	As at March 31, 2022	As at March 31, 2021
Opening balance	32,951	27,901
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	-	(176)
Profit for the year	11,638	5,207
Remeasurements of post-employment benefit obligation, net of tax	27	19
Dividend paid <sup>1</sup>	(4,737)	-
Transferred in relation to demerger pursuant to Composite Scheme (refer note 51)	(10,721)	-
Reclassification due to changes in equity instruments	36	-
<b>Closing balance</b>	<b>29,194</b>	<b>32,951</b>

<sup>1</sup> During the financial year 2021-22, the Company paid final cash dividend for the financial year 2020-21 amounting ₹ 1.5 per share to its shareholders. (refer note 39)

### 16(b) Other reserves

	As at March 31, 2022	As at March 31, 2021
<b>FVOCI equity investments</b>		
<b>Opening balance</b>	<b>138</b>	<b>133</b>
Change in fair value of FVOCI equity instruments	1	5
Reclassification due to changes in equity instruments	(36)	-
<b>Closing balance</b>	<b>103</b>	<b>138</b>
<b>Cash flow hedging reserve</b>		
Opening balance	(259)	-
Change in fair value of hedging instruments (net of tax)	234	(259)
<b>Closing balance</b>	<b>(25)</b>	<b>(259)</b>
<b>Total other reserves</b>	<b>78</b>	<b>(121)</b>

#### Reserve on amalgamation

This reserve was created at the time of amalgamation and mergers carried out in earlier years. The reserve will be utilised in accordance with the provisions of the Act.

#### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### Capital reserve

This reserve is created at the time of merger of Motherson Polymers Compounding Solution Private Limited (MPCSL) with the Company during previous year (refer note 50). During the current year the amount has been increased by ₹ 3,612 million in relation to merger of erstwhile Samvardhana Motherson International Limited (SAMIL) pursuant to Composite Scheme (refer note 51), wherein the investments and other assets have been acquired at fair value. The reserve will be utilised in accordance with the provisions of the Act.

### General reserve

General reserve is the retained earnings of the Company which are kept aside out of the Company's profits to meet future (known or unknown) obligations.

### FVOCI equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investment reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

### Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss (e.g. interest payments).

Bracket denotes appropriations / deductions.

### 17 (a) Non-current borrowings

	Non Current Portion		Current Maturities	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Secured<sup>(i)</sup></b>				
Non-convertible debentures	4,995	4,990	7,000	-
Term Loans				
Foreign currency loans from banks	-	-	-	5,846
Indian rupee loan from banks	8,979	8,044	489	6,164
<b>Unsecured<sup>(ii)</sup></b>				
Non-convertible debentures	31,239	21,231	-	-
Term Loans				
Indian rupee loan from other than banks	-	139	-	-
Less: Indian rupee loan from other than banks of discontinued operations (refer note 51)	-	(139)	-	-
Less : Disclosed under current borrowings (refer Note 17 (b))	-	-	(7,489)	(12,010)
<b>Total</b>	<b>45,213</b>	<b>34,265</b>	<b>-</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### (i) Secured Loans<sup>1</sup>

Nature of Security (In case of Secured Loans)	Principal Terms and Conditions
<p>Non convertible debentures amounting to ₹ 4,995 million (March 31, 2021: ₹ 4,990 million)</p> <p>secured by:</p> <p>(a) first ranking Security Interest by way of hypothecation on the Hypothecated Properties created by the Company in favour of the Debenture Trustee pursuant to the Deed of Hypothecation; and / or</p> <p>(b) a first ranking Security Interest by way of equitable mortgage by deposit of title deeds on the Company's rights, title and interest in and to the Mortgaged Properties created by the Company in favour of the Debenture Trustee (or in favour of a security trustee or security agent appointed by the Debenture Trustee (acting in accordance with Approved Instructions)) pursuant to the Mortgage Documents (i.e. Director's Declaration and the Memorandum of Entry).</p> <p>(c) such other Security Interest created by the Company or any other Person as may be mutually agreed by the Company with the Debenture Trustee (acting in accordance with Approved Instructions) and classified as 'Security' for the purposes of this Deed by the Debenture Trustee.</p>	<p>The company issued 5,000 listed, rated, redeemable, senior, secured non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 5,000 million, in a single tranche.</p> <p>These instruments bear interest at a rate of 7.84% payable annually on April 20 each year and will mature on April 20, 2023.</p>
<p>Non convertible debentures amounting to ₹ 7,000 million (March 31, 2021: Nil)</p> <p>secured by:</p> <p>(a) first ranking and exclusive security interest by way of pledge over the Initial Pledged Shares (Motherson Sumi Wiring India Limited (MSWIL)) by the Company in terms of the Share Pledge Agreement.</p> <p>(b) first ranking and exclusive security interest by way of pledge over the pledged share by the Company in terms of the Share Pledge Agreement.</p> <p>(c) first ranking and and exclusive security interest by way of hypothecation over the Hypothecated Properties arising from Initial Pledged Shares (Motherson Sumi Wiring India Limited (MSWIL)) in terms of the Deed of Hypothecation by the Company.</p> <p>(d) first ranking and and exclusive security interest by way of hypothecation over the Hypothecated Properties arising from Pledged Shares in terms of the Deed of Hypothecation by the Company.</p> <p>(e) first ranking and and exclusive security interest by way of pledge, to be created by the Pledged Promoter over the Pledged Shares (Company) in terms of the Shares Pledged Agreement (Company), on and from the Pledge Creation Date (Company) until the Pledge Creation date (Motherson Sumi Wiring India Limited (MSWIL)).</p>	<p>Originally erstwhile SAMIL issued 700 listed, rated, redeemable, secured non-convertible debentures of a face value of ₹ 10,000,000 each, of the aggregate nominal value of up to ₹ 7,000 million and were transferred to the company in relation to merger pursuant to Composite Scheme (refer note 51).</p> <p>These instruments bear interest at a rate of 9.75% payable annually and will mature on December 2, 2022.</p>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

Nature of Security (In case of Secured Loans)	Principal Terms and Conditions
Foreign currency loan from banks is secured by creating a charge on Investment in shares of one of the subsidiary, MSSSL (GB) Ltd on pari passu basis	<p>NIL (March 31, 2021: ₹ 5,846 million) and has fully repaid in March 2022.</p> <p>The applicable rate of interest in respect of foreign currency loans from banks is 0.36% p.a. (March 31, 2021: 0.375% p.a.) over 6 months in respect of loans hedged for swap contracts.</p>
Indian Rupee loan from banks is secured on investment in shares of one of the subsidiary, MSSSL (GB) Ltd on pari passu basis	₹ 9,468 million (March 31, 2021: ₹ 8,457 million) carrying Interest rate of 6.05% p.a. repayable in 5 years from date of first disbursement in ratio of 5:5:10:25:55 started from September 2021.
Indian Rupee loan from banks is secured by creating a charge on Investment in shares of one of the subsidiary, MSSSL (GB) Ltd on pari passu basis	Nil (March 31, 2021 : ₹ 5,750 million) and has fully repaid in March 2022. Interest rate on this loan was 8.0% p.a.

### (ii) Unsecured Loans

Particulars	Terms of Repayment
Non convertible debentures amounting to ₹ 21,262 million (March 31, 2021: ₹ 21,231 million)	<p>The company issued 21,300 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 21,300 million, in a single tranche.</p> <p>These instruments bear interest at a rate of 6.65% payable annually on September 14 each year and will mature on September 14, 2023.</p>
Non convertible debentures amounting to ₹ 9,977 million (March 31, 2021: Nil)	<p>The company issued 2,500 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 2,500 million, in a single tranche. These instruments bear interest at a rate of 5.69% payable annually on November 25 each year and will mature on November 25, 2024.</p> <p>The company issued 5,150 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 5,150 million, in a single tranche. These instruments bear interest at a rate of 6.09% payable annually on November 25 each year and will mature on November 25, 2026.</p> <p>The company issued 2,350 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 2,350 million, in a single tranche. These instruments bear interest at a rate of 5.68% payable annually on December 08 each year and will mature on December 08, 2024.</p>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Terms of Repayment
Indian Rupee Loan from other than banks	Interest free loan of Nil (March 31, 2021 : ₹ 139 million). Originally, the Company obtained an interest free loan from Pradeshiya Industrial & Investment Corporation of U.P. Ltd. (PICUP) relating to the business which were transferred in relation to demerger pursuant to Composite Scheme. However the assignmnet of loan in the favour of the Motherson Sumi Wiring India Limited (MSWIL) is yet to be completed at the balance sheet date.

<sup>1</sup> The carrying amount of financials and non financial assets pledged as security for long term borrowings is disclosed in Note 44

### 17 (b) Current borrowings

	As at March 31, 2022	As at March 31, 2021
<b>Secured <sup>2,3</sup></b>		
Working capital loans repayable on demand- from banks <sup>1</sup>		
Indian rupee loan	750	2,200
Less: Indian rupee loan utilised in respect of discontinued operations (refer note 51)	-	(675)
Current maturities of long term borrowings (refer note 17(a))	7,489	12,010
<b>Total</b>	<b>8,239</b>	<b>13,535</b>

<sup>1</sup> Working capital loans are secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties and are repayable on demand.

<sup>2</sup> The carrying amount of financials and non financial assets pledged as security for short term borrowings is disclosed in Note 44.

<sup>3</sup> Short term borrowings carry interest rate ranging from 3% to 7% p.a.

The Company has borrowings from banks on basis of security of current assets. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

### 18 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
Retention money	2	23
Security deposit received (refer note 40)	276	50
Recovery against Vehicle Loan	91	41
Derivatives designated as cash flow hedge (refer note 37)	-	64
Unamortised finance income	68	-
<b>Total</b>	<b>437</b>	<b>178</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Interest accrued but not due on borrowings	1,563	1,120
Unpaid dividends <sup>1</sup>	69	56
Payables relating purchase of property, plant & equipments	185	93
Security deposit received (refer note 40)	4	3
Employee benefits payable	727	537
Accrued expenses	162	25
Derivatives designated as fair value hedge (refer note 37)	-	1,633
Recovery against Vehicle Loan	19	26
<b>Total</b>	<b>2,729</b>	<b>3,493</b>

<sup>1</sup> There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

### 19 Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises (refer note 48)	601	369
Total outstanding dues of creditors other than micro and small enterprises	6,319	4,493
Trade payable to related parties (refer note 40)	918	1,377
<b>Total</b>	<b>7,838</b>	<b>6,239</b>

#### Trade payables ageing schedule: Undisputed

	Trade payables dues of micro and small enterprises		Trade payables dues of creditors other micro and small enterprises	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current but not due	499	250	4,805	3,723
Outstanding for following periods from due date of payment				
Less than 1 year	99	117	2,391	2,127
1-2 years	2	1	26	12
2-3 years	0	0	4	1
More than 3 years	1	1	11	7
<b>Total</b>	<b>601</b>	<b>369</b>	<b>7,237</b>	<b>5,870</b>

During the financial year ended March 31, 2022 and March 31, 2021 there are no disputed trade payable.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 20 Provisions

	As at March 31, 2022	As at March 31, 2021
For warranties	35	17
For contingencies	1	1
<b>Total</b>	<b>36</b>	<b>18</b>

#### Warranty

Provision for warranty relates to the estimated outflow in respect of warranty for products sold by the Company. Due to the very nature of such costs, it is not possible to estimate the timing/ uncertainties relating to the outflows of economic benefits.

#### Contingencies

Provision for contingencies relates to excise, entry tax and octroi demands including interest thereon, where applicable, being contested by the Company. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.

The Company has following provisions in the books of account as at year end:

	Warranty		Contingencies	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening Balance	17	10	1	1
Additions/(deletion) during the year	18	7	-	-
<b>Closing Balance</b>	<b>35</b>	<b>17</b>	<b>1</b>	<b>1</b>

### 21 Employee benefit obligations

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Gratuity	244	81	154	-
Compensated absences	86	399	55	277
Provident fund scheme	1	-	1	-
<b>Total</b>	<b>331</b>	<b>480</b>	<b>210</b>	<b>277</b>

The long term defined employee benefits and contribution schemes of the Company are as under:

#### A. Defined Benefit Schemes

##### Gratuity

The Company operates a gratuity plan administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company pays contribution to Life Insurance Corporation of India to fund its plan. Post demerger the Company has initiated appropriate steps towards transferring of the said fund maintained with LIC to the extent of its share which is determined basis the employees transferred to Motherson Sumi Wiring India Limited (MSWIL) and is expected to complete the process in the next year.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

#### (i) Present Value of Defined Benefit Obligation

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Obligations at year beginning</b>	<b>959</b>	<b>1,772</b>
Service Cost - Current	96	160
Interest expense	86	115
<b>Amount recognised in profit or loss</b>	<b>182</b>	<b>275</b>
<b>Remeasurements</b>		
Actuarial (gain)/ loss from change in financial assumption	(36)	(21)
Experience (gain)/loss	(30)	(4)
<b>Amount recognised in other comprehensive income</b>	<b>(66)</b>	<b>(25)</b>
Payment from plan:		
Benefit payments	(49)	(54)
Addition in relation to merger pursuant to Composite Scheme (refer note 51)	100	(4)
Transferred in relation to demerger pursuant to Composite Scheme(net) (refer note 51)	331	(1,005)
<b>Obligations at year end</b>	<b>1,457</b>	<b>959</b>

#### (ii) Fair Value of Plan Assets

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Plan assets at year beginning, at fair value</b>	<b>805</b>	<b>1,358</b>
Interest income	70	90
<b>Amount recognised in profit or loss</b>	<b>70</b>	<b>90</b>
<b>Remeasurements</b>		
Actuarial (gain)/ loss from change in financial assumption	(0)	(0)
Return on plan assets, excluding amount included in interest income	0	0
<b>Amount recognised in other comprehensive income</b>	<b>0</b>	<b>0</b>
Payment from plan:		
Benefit payments	(10)	(7)
Contributions:		
Employers	21	12
Addition in relation to merger pursuant to Composite Scheme (refer note 51)	15	-
Transferred in relation to demerger pursuant to Composite Scheme(net) (refer note 51)	231	(648)
<b>Plan assets at year end, at fair value</b>	<b>1,132</b>	<b>805</b>



## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### (iii) Assets and Liabilities recognized in the Balance Sheet

	For the year ended	
	March 31, 2022	March 31, 2021
Present Value of the defined benefit obligations	1,457	959
Fair value of the plan assets	1,132	805
<b>Amount recognized as Liability</b>	<b>325</b>	<b>154</b>

### (iv) Defined benefit obligations cost for the year:

	For the year ended	
	March 31, 2022	March 31, 2021
Service cost - Current	96	160
Interest cost (Net)	16	25
Actuarial (gain)/ loss	(66)	(25)
Extinguishment to discontinued operations - service and interest cost	0	(86)
Extinguishment to discontinued operations - Actuarial (gain) / loss	(29)	(11)
<b>Net defined benefit obligations cost</b>	<b>17</b>	<b>63</b>

### (v) Investment details of Plan Assets

The details of investments of plan assets are as follows:

	For the year ended	
	March 31, 2022	March 31, 2021
LIC of India	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Note:** In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

### (vi) Actuarial assumptions:

	For the year ended	
	March 31, 2022	March 31, 2021
Discount rate per annum	7.0%	6.7%
Future salary increases	8.0%	8.0%

**Note:** Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### (vii) Amount recognized in current year and previous four years:

	For the year ended				
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined benefit obligations	1,457	959	1,772	1,454	1,212
Plan assets	(1,132)	(805)	(1,358)	(1,230)	(1,087)
<b>Deficit/(Surplus)</b>	<b>325</b>	<b>154</b>	<b>414</b>	<b>224</b>	<b>125</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### (viii) Expected Contribution to the Fund in the next year

	For the year ended	
	March 31, 2022	March 31, 2021
Gratuity	186	157

### ix) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

	Change in Assumption	Impact	Increase in Assumption	Impact	Decrease in Assumption
<b>March 31, 2022</b>					
<b>Continuing operations:</b>					
Discount rate per annum	0.50%	Decrease by	(59)	Increase by	63
Future salary increases	1.0%	Increase by	132	Decrease by	(116)
<b>March 31, 2021</b>					
<b>Continuing operations and Discontinued operations:</b>					
Discount rate per annum	0.50%	Decrease by	(40)	Increase by	43
Future salary increases	1.0%	Increase by	90	Decrease by	(79)

Above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

### x) Risk exposure

The gratuity scheme is a salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

- (a) **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.
- (b) **Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- (c) **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

### xi) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 9 years (March 31, 2021: 9 years)

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>March 31, 2022</b>	112	160	406	974	<b>1,652</b>
Defined benefit obligation (gratuity)					
<b>March 31, 2021</b>	72	105	268	655	<b>1,100</b>
Defined benefit obligation (gratuity)					

### B Defined Contribution Schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and Social Insurance for the benefit of the employees.

Amount recognised in the Statement of Profit & Loss is as follows (refer note 29):

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Continuing operations:</b>		
Provident fund paid to the authorities	280	237
Employee state insurance paid to the authorities	38	29
Contribution to other funds (Employee welfare etc.)	2	1
	<b>320</b>	<b>267</b>

C. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued by the Government of India. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 22 Government grants

	As at March 31, 2022	As at March 31, 2021
Opening balance	26	309
Grants received during the year	225	2
Released to profit and loss (refer note 26)	(52)	(1)
Released to profit and loss in relation to demerger pursuant to Composite Scheme (refer note 51) <sup>1</sup>	-	(32)
Transferred in relation to demerger pursuant to Composite Scheme (refer note 51) <sup>1</sup>	-	(252)
<b>Closing balance</b>	<b>199</b>	<b>26</b>
	As at March 31, 2022	As at March 31, 2021
Current portion	18	1
Non-current portion	181	25
<b>Total</b>	<b>199</b>	<b>26</b>

<sup>1</sup> Originally, the Company obtained an interest free loan from Pradeshiya Industrial & Investment Corporation of U.P. Ltd. (PICUP) relating to the business which were transferred in relation to demerger pursuant to Composite Scheme and amortised based on the effective interest rate method and the amortised portion is treated as government grant.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

The Company has also received Government grants relating to the purchase of property, plant and equipment and has presented the grant as deferred income which is credited to profit or loss on a straight-line basis over the expected lives of the related assets.

### 23 Current tax liabilities/ Non-current tax assets (net)

	As at March 31, 2022	As at March 31, 2021
<b>Tax assets</b>		
Non-current tax assets (net)	485	104
<b>Tax liabilities</b>		
Current tax liabilities (net)	-	-
<b>Net tax liabilities/ (assets)</b>	<b>(485)</b>	<b>(104)</b>

### 24 Other liabilities

	As at March 31, 2022	As at March 31, 2021
<b>Non current</b>		
Unearned Revenue	15	-
	<b>15</b>	<b>-</b>
<b>Current</b>		
Statutory dues including provident fund and tax deducted at source	898	41
Advances received from customers (refer note 45)	1,096	528
Unearned revenue	15	3
<b>Total</b>	<b>2,009</b>	<b>572</b>

### 25(a) Revenue from contract with customers

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Sales of products</b>		
<b>Finished goods</b>		
Within India	37,679	25,541
Outside India	11,471	8,183
Traded goods	1,399	1,120
<b>Total gross sales</b>	<b>50,549</b>	<b>34,844</b>
Sale of services*	2,421	1,509
<b>Total revenue from contract with customers (refer note 45)</b>	<b>52,970</b>	<b>36,353</b>

Note: There is no material difference between the contract price and the revenue from contract with customers.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 25(b) Other operating revenue

	For the year ended	
	March 31, 2022	March 31, 2021
Scrap sales	216	148
Job work income	12	14
Export incentives	68	74
Liabilities written back to the extent no longer required	35	14
Miscellaneous other operating income	147	89
<b>Total</b>	<b>478</b>	<b>339</b>

### 26 Other income

	For the year ended	
	March 31, 2022	March 31, 2021
Interest income from financial assets at amortised cost	1,238	618
Dividend Income		
- From subsidiaries	4,547	-
- From equity investments designated at fair value through OCI	2	0
Rent	663	63
Exchange fluctuation (net)	571	382
Profit on sale of investments	0	-
Gain on disposal of property, plant and equipment	27	8
Government grants (refer note 22)	52	1
Miscellaneous income	14	32
<b>Total</b>	<b>7,114</b>	<b>1,104</b>

### 27 Cost of materials consumed

	For the year ended	
	March 31, 2022	March 31, 2021
Opening stock of raw materials	1,841	5,115
Add : Purchases of raw materials	34,689	37,569
Less: Closing stock of raw materials (continuing operations)	2,695	1,841
Less: Closing stock of raw materials (discontinued operations)	-	4,673
Less: Cost of materials consumed in discontinued operations*	-	14,377
<b>Total</b>	<b>33,835</b>	<b>21,793</b>

\*net of cost of materials consumed with respect to purchases from continuing operations (refer note 51)

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 28 Changes in inventory of finished goods, work in progress and stock in trade

	For the year ended	
	March 31, 2022	March 31, 2021
<b>(Increase)/ decrease in stocks</b>		
Stock at the opening of the year:		
Finished goods	1,279	1,440
Work-in-progress	1,136	1,905
<b>Total A</b>	<b>2,415</b>	<b>3,345</b>
Stock at the end of the year (continuing operations):		
Finished goods	1,810	1,279
Work-in-progress	1,433	1,136
<b>Total B</b>	<b>3,243</b>	<b>2,415</b>
Stock at the end of the year (discontinued operations):		
Finished goods	-	718
Work-in-progress	-	1,247
<b>Total C</b>	<b>-</b>	<b>1,965</b>
Less: Changes in inventory of discontinued operations (refer note 51) (D)	-	(386)
<b>(Increase)/ decrease in stocks (A-B-C-D)</b>	<b>(828)</b>	<b>(649)</b>

### 29 Employee benefits expense For the year ended

	For the year ended	
	March 31, 2022	March 31, 2021
Salary, wages & bonus	5,332	4,426
Contribution to provident & other fund (refer note 21)	320	267
Gratuity (refer note 21)	112	99
Staff welfare expenses	313	233
<b>Total</b>	<b>6,077</b>	<b>5,025</b>

Note: net of expenses reimbursed on shared basis (refer note 52)

### 30 Other expenses

	For the year ended	
	March 31, 2022	March 31, 2021
Electricity, water and fuel	1,223	990
Repairs and maintenance:		
Machinery	644	432
Building	237	158
Others	284	221
Consumption of stores and spare parts	512	293
Conversion charges	291	189
Lease rent (refer note 46)	255	173



## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended	
	March 31, 2022	March 31, 2021
Rates & taxes	50	18
Insurance	148	113
Donation	10	9
Travelling	252	144
Freight & forwarding	1,622	1,084
Royalty	35	53
Commission	48	24
Provision for diminution in value of investments	70	-
Bad debts/ advances written off	16	0
Provision for doubtful debts/advances	-	0
Legal & professional expenses (refer note (a) below)	857	796
Expenditure towards corporate social responsibility (CSR) activities (refer note (b) below)	202	235
Miscellaneous expenses	670	483
<b>Total</b>	<b>7,426</b>	<b>5,415</b>

Note: net of expenses reimbursed on shared basis (refer note 52)

### (a) Payment to auditors:

	For the year ended	
	March 31, 2022	March 31, 2021
<b>As Auditor:</b>		
Audit fees (including limited review)	34	48
Other services	3	8
Reimbursement of expenses	-	0
<b>Total</b>	<b>37</b>	<b>56</b>

### (b) Corporate social responsibility expenditure

	For the year ended	
	March 31, 2022	March 31, 2021
(i) Contribution to Swarn Lata Motherson Trust	58	61
(ii) Contribution for the promotion of education & other Initiatives	-	1
(iii) Contribution towards PM Care Funds	-	9
	<b>58</b>	<b>71</b>
Amount required to be spent as per Section 135 of the Companies Act, 2013	202	235
Amount spent during the year on:		
(i) Construction/acquisition of asset	-	-
(ii) Purpose other than (i) above	58	71
	<b>58</b>	<b>71</b>
<b>Amount yet to spent for which provision is considered in financial</b>	<b>144</b>	<b>164</b>

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(All amounts in ₹ Million, unless otherwise stated)

Note for Ongoing Projects and others	For the year ended March 31, 2022	
	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
<b>Opening Balance</b>		
With Company	25	139
In Separate CSR Unspent A/c	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	139
Amount required to be spent during the year	75	127
Amount spent during the year		
From Company's bank A/c	58	-
From Separate CSR Unspent A/c	-	-
<b>Closing Balance</b>	<b>42</b>	<b>127</b>
With Company	17	127
In Separate CSR Unspent A/c	25	-

In respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period thirty days from end of the financial year in compliance with provisions of sub section (6) of section 135 of the Companies Act.

The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 (the Act) as the period for such transfer i.e. six months of the expiry of the financial year as permitted under second proviso to sub-section (5) of section 135 of the Act, has not elapsed.

Note for Ongoing Projects and others	For the year ended March 31, 2021	
	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
<b>Opening Balance</b>		
With Company	-	-
In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year	96	139
Amount spent during the year	-	-
From Company's bank A/c	71	-
From Separate CSR Unspent A/c	-	-
<b>Closing Balance</b>	<b>25</b>	<b>139</b>
With Company	25	139
In Separate CSR Unspent A/c	-	-

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 31 Finance costs

	For the year ended	
	March 31, 2022	March 31, 2021
Interest on long term borrowings	1,136	609
Exchange differences regarded as an adjustment to borrowing costs <sup>1</sup>	62	99
Interest on lease liabilities	54	72
Other finance costs	159	117
<b>Total</b>	<b>1,411</b>	<b>897</b>

Note: net of expenses reimbursed on shared basis (refer note 52)

<sup>1</sup>Includes foreign exchange loss/ (gain) on long term loan facilities of ₹ 115 million (March 31, 2021 : ₹ (196) million) and Mark to Market (gain)/ loss on derivatives of ₹ (53) million (March 31,2021: ₹ 295 million)

### 32 Depreciation and amortisation expense

	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation on property, plant and equipment	1,703	1,789
Depreciation on right of use assets	172	186
Amortisation on intangible assets	3	-
Depreciation on investment Property	182	25
Less: Capitalised during the year <sup>1</sup>	(18)	(17)
<b>Total</b>	<b>2,042</b>	<b>1,983</b>

Note: net of expenses reimbursed on shared basis (refer note 52)

<sup>1</sup>Includes depreciation of ₹ 18 million (March 31, 2021: ₹ 17 million) capitalised during the year on assets used for creation of self generated assets (refer note 3).

### 33 Income tax expense

#### (a) Income tax expense

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Current tax</b>		
Current income tax charged	919	612
Adjustments for current tax of prior years	51	(3)
<b>Total current tax expense</b>	<b>970</b>	<b>609</b>
<b>Deferred tax (refer note 11)</b>		
Decrease/ (increase) in deferred tax assets (net)	232	(118)
<b>Total deferred tax expense / (credit)</b>	<b>232</b>	<b>(118)</b>
<b>Income tax expense</b>	<b>1,202</b>	<b>491</b>
Income tax expense is attributable to:		
Profit from continuing operations	1,202	491
	<b>1,202</b>	<b>491</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Profit before tax from continuing operations</b>	<b>9,198</b>	<b>2,432</b>
Tax at India's tax rate of 25.168% (March 2021: 25.168%)	2,315	612
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax deductions under Chapter VIA	(1,145)	(0)
Adjustments for tax of prior periods	51	(3)
Tax impact on effective portion of fair value hedge	65	(117)
Tax effect on items on which deferred tax not recognised	(47)	(22)
Other adjustments	(37)	21
<b>Income tax expense of continuing operations</b>	<b>1,202</b>	<b>491</b>
<b>Profit before tax from discontinued operations</b>	<b>4,846</b>	<b>4,396</b>
Tax at India's tax rate of 25.168% (March 2021: 25.168%)	1,220	1,106
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other adjustments	(16)	23
<b>Income tax expense of discontinued operations</b>	<b>1,204</b>	<b>1,129</b>

### 34 Earnings per share

	For the year ended	
	March 31, 2022	March 31, 2021
<b>For continuing operations</b>		
<b>a) Basic</b>		
Net profit after tax available for equity Shareholders	7,996	1,941
Weighted average number of Equity Shares of ₹ 1 each (March 31, 2021: ₹ 1 each) <sup>1</sup>	3,493,197,800	3,157,934,237
Basic earnings (in ₹) per Share of ₹ 1 each. (March 31, 2021: ₹ 1 each)	<b>2.29</b>	<b>0.61</b>
<b>b) Diluted (refer note (i) below)</b>		
Net profit after tax available for equity Shareholders	7,996	1,941
Weighted average number of Equity Shares of ₹ 1 each (March 31, 2021: ₹ 1 each) <sup>1</sup>	3,493,197,800	3,157,934,237
Diluted earnings (in ₹) per share of ₹ 1 each. (March 31, 2021: ₹ 1 each)	<b>2.29</b>	<b>0.61</b>

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

		For the year ended	
		March 31, 2022	March 31, 2021
<b>For discontinued operations</b>			
<b>a) Basic</b>			
Net profit after tax available for equity Shareholders		3,642	3,267
Weighted average number of Equity Shares of ₹ 1 each (March 31, 2021: ₹ 1 each) <sup>1</sup>		3,493,197,800	3,157,934,237
Basic earnings (in ₹) per Share of ₹ 1 each. (March 31, 2021: ₹ 1 each)		<b>1.04</b>	<b>1.03</b>
<b>b) Diluted (refer note (i) below)</b>			
Net profit after tax available for equity Shareholders		3,642	3,267
Weighted average number of Equity Shares of ₹ 1 each (March 31, 2021: ₹ 1 each) <sup>1</sup>		3,493,197,800	3,157,934,237
Diluted earnings (in ₹) per share of ₹ 1 each. (March 31, 2021: ₹ 1 each)		<b>1.04</b>	<b>1.03</b>
<b>For continuing and discontinued operations</b>			
<b>a) Basic</b>			
Net profit after tax available for equity Shareholders		11,638	5,207
Weighted average number of Equity Shares of ₹ 1 each (March 31, 2021: ₹ 1 each) <sup>1</sup>		3,493,197,800	3,157,934,237
Basic earnings (in ₹) per Share of ₹ 1 each. (March 31, 2021: ₹ 1 each)		<b>3.33</b>	<b>1.65</b>
<b>b) Diluted (refer note (i) below)</b>			
Net profit after tax available for equity Shareholders		11,638	5,207
Weighted average number of Equity Shares of ₹ 1 each (March 31, 2021: ₹ 1 each) <sup>1</sup>		3,493,197,800	3,157,934,237
Diluted earnings (in ₹) per share of ₹ 1 each. (March 31, 2021: ₹ 1 each)		<b>3.33</b>	<b>1.65</b>

<sup>1</sup>The Company allotted 1,359,680,007 net equity shares having face value of ₹ 1/- each to the share holders of erstwhile Samvardhana Motherhood International Limited as per the Composite Scheme of Amalgamation and Arrangement (refer note 51) as on January 28, 2022. Since the Company has accounted effect of merger from December 31, 2021 weighted average number of share is calculated from that date.

		For the year ended	
		March 31, 2022	March 31, 2021
Opening shares	A	3,157,934,237	3,157,934,237
Add: Share Issued to shareholders of erstwhile Samvardhana Motherhood International Limited (refer note 51)		1,359,680,007	-
Weighted average number of shares	B	335,263,563	-
Weighted average number of equity shares used to compute earnings per share	A+B	<b>3,493,197,800</b>	<b>3,157,934,237</b>

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**35 Ratio Analysis and its elements**

	For the year ended			
	March 31, 2022 (Refer note (i))	March 31, 2021 (Refer note (i))	% change	Reason for variance
<b>Current Ratios (in times)</b> (Current Assets / Current Liabilities)	1.49	1.08	37.9%	Refer note (i)
<b>Debt- Equity Ratio (in times)</b> [(Long term borrowing including current maturities + short term borrowing + lease liabilities) / Shareholders equity]	0.18	0.73	-76.1%	Refer note (i)
<b>Debt Service Coverage Ratio (in times)</b> [(Earnings before interest, depreciation, dividend income, interest income, loss on sale of FA and exceptional items but after tax) / (Interest expense on short term and long term borrowings + scheduled principal repayment of long term borrowing during the year)]	0.70	0.65	8.9%	Refer note (i)
<b>Return on Equity Ratio (in %)</b> (Net Profits after taxes / Average Shareholder's Equity)	4.24%	8.03%	-47.1%	Refer note (i)
<b>Inventory Turnover Ratio (in times)</b> (Cost of goods sold / Average inventories)	5.46	3.05	78.8%	Refer note (i)
<b>Trade Receivable Turnover Ratio (in times)</b> (Revenue from contract with customers / Average trade receivables)	5.66	6.32	-10.5%	Refer note (i)
<b>Trade Payable Turnover Ratio (in times)</b> (Purchase of goods / Average trade payable)	5.06	3.74	35.4%	Refer note (i)
<b>Net Capital Turnover Ratio (in times)</b> (Revenue from contract with customers / Average working capital excluding current maturities of long term debt)	14.60	13.20	10.6%	Refer note (i)
<b>Net Profit Ratio (in %)</b> (Profit / (loss) for the period / Revenue from operations)	14.96%	6.67%	124.3%	Refer note (i)
<b>Return on Capital Employed (in %)</b> (Earnings before interest expenses, dividend income, interest income and taxes / Average capital employed)	18.39%	24.03%	-23.5%	Refer note (i)
<b>Return on Investment (in %)</b> (Dividend income / Investment (on which dividend income earned))	28.70%	0.49%	5729.6%	No dividend income received in previous year

Note:

- (i) Considering the impact of accounting for Composite Scheme of Amalgamation and Arrangement (refer note 51), above ratios have been calculated with the following approach.



## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

-For the periods upto March 31, 2021, all relevant amounts pertaining to continuing and discontinued operations have been considered

-For the periods after March 31, 2021, only relevant amounts pertaining to continuing operations have been considered.

Financial ratios given above are not comparable because of impact of accounting for the scheme and different approach followed to calculate ratios for the year ended March 31, 2022 and March 31, 2021

### 36 Fair value measurements

#### Financial instruments by category

	March 31, 2022			March 31, 2021		
	FVPL	FVOCI	Amortised Cost*	FVPL	FVOCI	Amortised Cost*
<b>Financial assets</b>						
Investments	-	15	-	-	198	-
Trade receivables	-	-	11,215	-	-	5,185
Loans	-	-	24,787	-	-	26,808
Cash and cash equivalents	-	-	6,317	-	-	2,556
Other financial assets	60	989	2,303	-	551	1,574
<b>Total financial assets</b>	<b>60</b>	<b>1,004</b>	<b>44,622</b>	<b>-</b>	<b>749</b>	<b>36,123</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	53,452	-	-	47,800
Trade payables	-	-	7,838	-	-	6,239
Other financial liabilities	-	-	3,166	1,633	64	1,975
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>64,456</b>	<b>1,633</b>	<b>64</b>	<b>56,014</b>

#### i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2022

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>				
Financial Investments at FVOCI				
Listed equity investments	12	-	-	<b>12</b>
Unquoted equity investments	-	-	3	<b>3</b>
<b>Total</b>	<b>12</b>	<b>-</b>	<b>3</b>	<b>15</b>
<b>Financial liabilities</b>				
Borrowings	-	43,233	10,219	<b>53,452</b>
Other financial liabilities	-	-	3,166	<b>3,166</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>43,233</b>	<b>13,385</b>	<b>56,618</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>				
Financial Investments at FVOCI				
Listed equity investments	12	-	-	<b>12</b>
Unquoted equity investments	-	-	186	<b>186</b>
<b>Total</b>	<b>12</b>	<b>-</b>	<b>186</b>	<b>198</b>
<b>Financial liabilities</b>				
Borrowings	-	26,220	21,580	<b>47,800</b>
Other financial liabilities	-	1,633	2,038	<b>3,671</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>27,853</b>	<b>23,618</b>	<b>51,471</b>

\*The carrying amounts of trade receivables, borrowings, cash and cash equivalents, other financial assets, trade payables and other financial liabilities are considered to be the same as their face values.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

#### ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- the fair value of the remaining financial instruments covered under level 3 is determined using discounted cash flow analysis.

**iii. Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the year ended March 31, 2022 and March 31, 2021:

	Unquoted equity instruments
<b>As at March 31, 2020</b>	<b>186</b>
Gains/(losses) recognised in other comprehensive income	-
<b>As at March 31, 2021</b>	<b>186</b>
Change in reclassification of equity instrument	(183)
<b>As at March 31, 2022</b>	<b>3</b>

**iv. Fair value of non current financial assets and liabilities measured at amortised cost**

	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Loan to related party <sup>1</sup>	21,142	21,142	23,732	23,732
Loan to employees <sup>1</sup>	34	34	20	20
	<b>21,176</b>	<b>21,176</b>	<b>23,752</b>	<b>23,752</b>
<b>Financial liabilities</b>				
Borrowings <sup>2</sup>	45,213	45,213	34,265	34,265
Other financial liabilities	437	437	178	178
	<b>45,650</b>	<b>45,650</b>	<b>34,443</b>	<b>34,443</b>

<sup>1</sup> The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

<sup>2</sup> During financial year 2016-17 loan amounting to ₹ 10,975 million was taken at market rates. Loan amounting to Nil as at March 31, 2022 (March 31, 2021: ₹ 5,846 million) carries floating rate of interest. The Company has taken interest rate swap for the borrowing with fixed interest rate amounting to Nil as at March 31, 2022 (March 31, 2021: ₹ 5,750 million).

The Company has taken interest rate swap amounting to ₹ 39,650 million (March 31, 2021: ₹ 29,800 million) and a borrowing with fixed interest rate amounting ₹ 5,150 million (March 31, 2021: ₹ 5,000 million).

Note: The carrying amounts of current financial assets and current financial liabilities i.e. trade receivables, loans, other financial assets, trade payables, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

**v. Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted:

	Fair Value as at	
	March 31, 2022	March 31, 2021
Unquoted equity instruments	<b>3</b>	<b>186</b>
<b>Significant unobservable inputs<sup>1</sup></b>		
Earnings growth rate	-	4%
Risk adjusted discount rate	-	16%
<b>Sensitivity</b>		
<b>Impact of change in risk adjusted discount rate<sup>2</sup></b>		
Decrease in discount rate by 0.50%	-	19
Increase in discount rate by 0.50%	-	(17)
<b>Impact of change in earnings growth rate<sup>2</sup></b>		
Decrease in growth rate by 0.50%	-	(14)
Increase in growth rate by 0.50%	-	16

<sup>1</sup> There were no significant inter-relationships between unobservable inputs that materially affect fair values

<sup>2</sup> Holding all the other variables constant

**37(a) Financial risk management**

The Company in its capacity as an internationally active supplier for the automobile industry is exposed to various risks i.e., market risk, liquidity risk and credit risk. The company has global presence and decentralized management structure. Concentrating on the plants make it necessary for implementing an organized risk management system. The Company is therefore exposed to risks associated with global organizations and automotive industry in particular.

The Company has set up a Risk Management Committee (RMC) at the board level to periodically review operating, financial and strategic risks in the business and their mitigating factors. RMC has formulated Risk Management Policy for the Company which outlines the risk management framework to help minimize the impact of uncertainty on the Company's strategic goals. The framework enables a structured and disciplined approach to risk management. The Company has developed guidelines on risk controlling and the use of financial instruments. These guidelines contain a clear allocation of duties. Risks are controlled and monitored by means of operational and financial measures.

Below are the major risks which can impact the Company:

**A Market risk:**

Market risk is the risk that the fair value of future cashflows of a financial instruments will fluctuate because of changes in market price/ rate. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/ receivables in foreign currencies.

**a. Price risk:**

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also

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affect the profitability of the Company. The Group has set up Global Sourcing Procurement (GSP) at Sharjah which gives leverage of bulk buying and helps in controlling prices to a certain extent.

The key raw material for the Company's wiring harness business is copper. There is substantial fluctuations in prices of copper. The Company has arrangements with its major customers for passing on the price impact.

The major raw materials used by Polymer Division of the Company are polypropylenes, polycarbonates and various grades of nylons and resins. The Company is having arrangement with major customers for actualization of raw material price variations periodically. Motherson Polymer Solutions, compounding unit has been established with a view of taking leverage on group's bulk consumption on major grades. The setting up of GSP further strengthens the procurement function.

The Company is regularly taking initiatives like VA-VE (value addition, value engineering) to reduce its raw material costs to meet targets set up by its customers for cost downs. In respect of customer nominated parts, the Company has back to back arrangements for cost savings with its suppliers.

### b. Foreign currency risk:

The exchange variations in India has mainly impacted the imports, but however the Company has arrangements with its major domestic customers for passing on the exchange impact on import purchase and has considerably increased its export sales during last few years to attain natural hedge. The Company also does selective hedging to hedge its risks associated with foreign currency.

The hedged and unhedged foreign currency exposure is as follows:

#### (i) Derivatives outstanding as at the reporting date

Particulars/ Purpose	Currency (Amount in million)	As At March 31, 2022	As At March 31, 2021
Cross currency swap	USD : EUR	-	USD 80; EUR 74
	INR : EUR	-	INR 5,750; EUR 81
	INR : EUR	INR 5,197; EUR 60.00	INR 5,197; EUR 60.00
	INR : EUR	INR 2,596; EUR 30.00	INR 2,596; EUR 30.00
	INR : EUR	INR 2,595; EUR 30.00	INR 2,595; EUR 30.00
	INR : EUR	INR 2,607; EUR 30.00	INR 2,607; EUR 30.00
	INR : USD	INR 2,198; USD 30.00	INR 2,198; USD 30.00
	INR : USD	INR 2,204; USD 30.00	INR 2,204; USD 30.00
	INR : USD	INR 1,469; USD 20.00	INR 1,469; USD 20.00
	INR : USD	INR 2,427; USD 33.00	INR 2,427; USD 33.00
	INR : EUR	INR 3,448; EUR 40.00	INR 3,448; EUR 40.00
	INR : EUR	INR 2,595; EUR 30.00	INR 2,595; EUR 30.00
	INR : EUR	INR 2,593; EUR 30.00	INR 2,593; EUR 30.00
	INR : EUR	INR 2,500; EUR 29.88	-
	INR : EUR	INR 2,500; EUR 29.88	-
	INR : EUR	INR 2,500; EUR 29.88	-
INR : EUR	INR 2,350; EUR 27.47	-	

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### (ii) Particular of unhedged foreign currency exposure as at the reporting date (Net exposure to foreign currency risk)

	March 31, 2022		March 31, 2021	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign currency in million	Amount in ₹	Amount in Foreign currency in million	Amount in ₹
AUD	(0)	(10)	(0)	(14)
CHF	0	2	0	8
CNY	0	0	0	4
EUR	(26)	(2,206)	(72)	(6,173)
GBP	(1)	(54)	(0)	(0)
JPY	(719)	(444)	1,962	1,306
KRW	28	2	-	-
SEK	0	0	0	0
SGD	0	0	0	5
THB	2	5	27	64
USD	(6)	(441)	90	6,595
ZAR	(2)	(8)	-	-

#### Foreign currency sensitivity on unhedged exposure

1% increase / decrease in foreign exchange rates will have the following impact on profit before tax:

	Impact on profit before tax	
	March 31, 2022	March 31, 2021
Increase by 1% in forex rate	31	(18)
Decrease by 1% in forex rate	(31)	18

#### (iii) Mark to market losses / (gain) on cross currency interest rate swaps

	For the year ended	
	March 31, 2022	March 31, 2021
Mark to Market losses/(gain) on cross currency interest rate swaps	2,195	272

### c. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2022 and March 31, 2021, the Company's borrowings at variable rate were mainly denominated in INR and USD.



## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### (i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	750	7,372
Fixed rate borrowings	52,702	40,428
<b>Total borrowings</b>	<b>53,452</b>	<b>47,800</b>

An analysis by maturities is provided in Note [C (ii)] Maturities of financial liabilities below.

### (ii) Sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

	Impact on profit before tax	
	March 31, 2022	March 31, 2021
Interest rates-increase by 50 basis points*	(4)	(37)
Interest rates-decrease by 50 basis points*	4	37

\* Holding all other variables constant

## B Credit risk:

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions.

### Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

### Financial instruments and cash deposits

The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

## C Liquidity risk:

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

	As at March 31, 2022	As at March 31, 2021
Floating rate		
- Expiring within one year (cash credit and other facilities)	7,129	8,977

### (ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative and derivative financial liabilities:

Year Ended March 31, 2022	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	9,425	45,519	-	<b>54,944</b>
Trade payables	7,838	-	-	<b>7,838</b>
Other financial liabilities	2,729	437	-	<b>3,166</b>
Lease liabilities	249	468	46	<b>763</b>
<b>Total non-derivative liabilities</b>	<b>20,241</b>	<b>46,424</b>	<b>46</b>	<b>66,711</b>
<b>Derivatives</b>				
Derivatives designated as hedge	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year Ended March 31, 2021	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	14,291	35,283	-	<b>49,574</b>
Trade payables	6,239	-	-	<b>6,239</b>
Other financial liabilities	1,862	178	-	<b>2,040</b>
Lease liabilities	183	538	353	<b>1,074</b>
<b>Total non-derivative liabilities</b>	<b>22,575</b>	<b>35,999</b>	<b>353</b>	<b>58,927</b>
<b>Derivatives</b>				
Derivatives designated as hedge	1,633	64	-	<b>1,697</b>
<b>Total derivative liabilities</b>	<b>1,633</b>	<b>64</b>	<b>-</b>	<b>1,697</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 37(b) Details related to hedging instrument

Fair value hedge	Nominal amount of the hedging instrument (in million)	Carrying amount of hedging instrument		Maturity Date	Line item in balance sheet where hedging instrument is disclosed	Change in fair value for calculating hedge ineffectiveness
		Assets	Liabilities			
<b>March 31, 2022</b>						
(i) Cross currency interest rate swap	USD 80; EUR 74	-	-	Mar'2022	Other financial liabilities	(498)
	INR 5,750; EUR 81	-	-	Mar'2022		(3)
	INR 2,500; EUR 29.88	18	-	Nov'2026		(18)
	INR 2,500; EUR 29.88	20	-	Nov'2026		(20)
	INR 2,500; EUR 29.88	2	-	Nov'2024		(2)
	INR 2,350; EUR 27.47	20	-	Dec'2024		(20)
(ii) Loan	USD 80	-	-	Mar'2022	Non-current borrowings	359
	INR 5,750	-	-	Mar'2022		-
	INR 9,850	-	9,827	Nov'2024, Dec'2024, Nov'2026		-
<b>March 31, 2021</b>						
(i) Cross currency interest rate swap	USD 80; EUR 74	-	498		Other financial liabilities	431
	INR 5,750; EUR 81	-	1,135			328
(ii) Loan	USD 80	-	5,846		Non-current borrowings	(196)
	INR 5,750	-	5,750			-

### 37(c) Details related to hedged item

Fair value hedge	Carrying amount of hedged item		Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of the hedged item		Line item in balance sheet where hedging item is disclosed	Change in value used for calculating hedge ineffectiveness	Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of hedged item that have ceased to be adjusted for hedging gains and losses
	Assets	Liabilities	Assets	Liabilities			
<b>March 31, 2022</b>							
(i) Investment	14,805	-	2,086	-	Non-current investments	(263)	-
<b>March 31, 2021</b>							
(i) Investment	15,068	-	2,349	-	Non-current investments	464	-

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### Details of impact of fair value hedge on statement of profit and loss

Fair value hedge	Ineffectiveness recognized in profit or loss	Line items in profit and loss
<b>For year ended on 31 March 2022:</b>		
(i) Investment	62	Finance cost
<b>For year ended on 31 March 2021:</b>		
(i) Investment	99	Finance cost

### 37(d) Details related to cashflow hedge

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments		Maturity date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
<b>March 31, 2022</b>								
(i) Cross currency interest rate swap	INR 8,636	253	-	Oct'2025	1:1	EUR:INR: 86.3590	253	317
	INR 12,995	669	-	Sep'2023	1:1	EUR:INR: 86.6321	669	322
	INR 8,298	67	-	Sep'2023	1:1	USD:INR: 74.4326	67	(137)
<b>March 31, 2021</b>								
(i) Cross currency interest rate swap	INR 8,636	-	64	Oct'2025	1:1	EUR:INR: 86.3590	(64)	64
	INR 12,995	347	-	Sep'2023	1:1	EUR:INR: 86.6321	347	(347)
	INR 8,298	204	-	Sep'2023	1:1	USD:INR: 74.4326	204	(204)

### 38 Capital management

#### (a) Risk management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors Net Debt to EBITDA ratio i.e. Net debt (total borrowings (including lease liabilities) net of cash and cash equivalents) divided by EBITDA (Earnings before interest, depreciation, dividend income, interest income and exceptional items)

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
Net Debt	47,915	46,610
EBITDA	7,345	9,878
<b>Net Debt to EBITDA</b>	<b>6.52</b>	<b>4.72</b>

<sup>^</sup> Net Debt and EBITDA is inclusive of discontinued operations.

### (b) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.

### (c) Dividends

	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
<b>On Equity shares of ₹ 1 each</b>		
<b>Final dividend</b>		
Amount of dividend paid (pertains to previous financial year)	4,737	-
Dividend per equity share	1.50	-

## 39 Distribution made and proposed

	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
<b>Cash dividends on equity shares declared and paid</b>		
Final cash dividend for the year ended on March 31, 2021: ₹ 1.50 per share (March 31, 2020: Nil)	4,737	-
	<b>4,737</b>	<b>-</b>
<b>Proposed dividends on Equity shares</b>		
Final cash dividend for the year ended on March 31, 2022: ₹ 0.65 per share (March 31, 2021: ₹ 1.50)	2,936	4,737
	<b>2,936</b>	<b>4,737</b>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31.

The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

## 40 Related Party Disclosures

### I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:

#### a. Promoters / Entities with joint control over the Company

	Name	Ownership interest		
		Place of incorporation	As at March 31, 2022	As at March 31, 2021
1	Samvardhana Motherson International Limited (erstwhile SAMIL)	India	-	33.43%
2	Sumitomo Wiring Systems Limited, Japan	Japan	17.55%	25.10%

#### Relationship where control exists

#### b. Subsidiaries of the Company

- MSSL Mauritius Holdings Limited
- Motherson Electrical Wires Lanka Private Limited
- MSSL Mideast (FZE)
- MSSL (S) Pte Limited
- Motherson Innovations Tech Limited (formerly MSSL Automobile Component Limited)
- Samvardhana Motherson Polymers Limited
- MSSL (GB) Limited
- Motherson Wiring System (FZE)
- MSSL Tooling (FZE)
- MSSL GmbH
- Samvardhana Motherson Invest Deutschland GmbH
- MSSL Advanced Polymers s.r.o.
- Motherson Techno Precision GmbH
- MSSL s.r.l. Unipersonale
- Motherson Techno Precision México, S.A. de C.V
- MSSL Manufacturing Hungary Kft
- Motherson Air Travel Pvt Ltd
- MSSL Australia Pty Limited
- Motherson Elastomers Pty Limited
- Motherson Investments Pty Limited
- MSSL Ireland Private Limited
- MSSL Global RSA Module Engineering Limited
- MSSL Japan Limited
- Vacuform 2000 (Proprietary) Limited
- MSSL México, S.A. De C.V.
- MSSL WH System (Thailand) Co., Ltd



**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

- 27 MSSL Korea WH Limited
- 28 MSSL Consolidated Inc.
- 29 MSSL Wiring System Inc
- 30 Alphabet de Mexico, S.A. de C.V.
- 31 Alphabet de Mexico de Monclova, S.A. de C.V.
- 32 Alphabet de Saltillo, S.A. de C.V.
- 33 MSSL Wirings Juarez, S.A. de C.V.
- 34 Samvardhana Motherson Global Holdings Ltd.
- 35 Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV)
- 36 Samvardhana Motherson Reflectec Group Holdings Limited (SMR)
- 37 SMR Automotive Technology Holding Cyprus Limited
- 38 SMR Automotive Mirror Parts and Holdings UK Ltd
- 39 SMR Automotive Holding Hong Kong Limited
- 40 SMR Automotive Systems India Limited
- 41 SMR Automotive Systems France S.A.
- 42 SMR Automotive Mirror Technology Holding Hungary KFT
- 43 SMR Patents S.à.r.l.
- 44 SMR Automotive Technology Valencia S.A.U.
- 45 SMR Automotive Mirrors UK Limited
- 46 SMR Automotive Mirror International USA Inc.
- 47 SMR Automotive Systems USA Inc.
- 48 SMR Automotive Beijing Company Limited
- 49 SMR Automotive Yancheng Co. Limited
- 50 SMR Automotive Mirror Systems Holding Deutschland GmbH
- 51 SMR Holding Australia Pty Limited
- 52 SMR Automotive Australia Pty Limited
- 53 SMR Automotive Mirror Technology Hungary BT
- 54 Motherson Business Service Hungary Kft.
- 55 SMR Automotive Modules Korea Ltd.
- 56 SMR Automotive Beteiligungen Deutschland GmbH
- 57 SMR Hyosang Automotive Ltd.
- 58 SMR Automotive Mirrors Stuttgart GmbH
- 59 SMR Automotive Systems Spain S.A.U.
- 60 SMR Automotive Vision Systems Mexico S.A. de C.V.
- 61 SMR Grundbesitz GmbH & Co. KG
- 62 SMR Automotive Brasil Ltda.
- 63 SMR Automotive System (Thailand) Limited

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

- 64 SMR Automotives Systems Macedonia Dooel Skopje
- 65 SMR Automotive Operations Japan K.K.
- 66 SMR Automotive (Langfang) Co. Ltd
- 67 SMR Automotive Vision System Operations USA INC
- 68 SMR Mirror UK Limited
- 69 Motherson Innovations Company Limited
- 70 Motherson Innovations Deutschland GmbH
- 71 Samvardhana Motherson Global (FZE)
- 72 SMR Automotive Industries RUS Limited Liability Company
- 73 Re-time Pty Limited
- 74 Samvardhana Motherson Peguform GmbH (SMP)
- 75 SMP Automotive Interiors (Beijing) Co. Ltd.
- 76 SMP Deutschland GmbH
- 77 SMP Logistik Service GmbH
- 78 SMP Automotive Solutions Slovakia s.r.o.
- 79 Changchun Peguform Automotive Plastics Technology Co., Ltd.
- 80 Foshan Peguform Automotive Plastics Technology Co. Ltd.
- 81 Shenyang SMP Automotive Plastic Component Co. Ltd.
- 82 Tianjin SMP Automotive Component Company Limited
- 83 Shenyang SMP Automotive Trim Co., Ltd
- 84 SMP Automotive Technology Management Services (Changchun) Co. Ltd.
- 85 SMP Automotive Technology Iberica S.L.
- 86 Samvardhana Motherson Peguform Barcelona S.L.U
- 87 SMP Automotive Technologies Teruel Sociedad Limitada
- 88 Samvardhana Motherson Peguform Automotive Technology Portugal S.A.
- 89 SMP Automotive Systems Mexico S.A. de C.V.
- 90 SMP Automotive Produtos Automotivos do Brasil Ltda.
- 91 SMP Automotive Exterior GmbH
- 92 Samvardhana Motherson Innovative Autosystems B.V. & Co. KG
- 93 Samvardhana Motherson Innovative Autosystems Holding Company BV
- 94 SM Real Estate GmbH
- 95 Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V.
- 96 SMP Automotive Systems Alabama Inc.
- 97 Celulosa Fabril (Cefa) S.A.
- 98 Modulos Ribera Alta S.L.Unipersonal
- 99 Motherson Innovations Lights GmbH & Co KG
- 100 Motherson Innovations Lights Verwaltungs GmbH

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

- 101 SMP Automotive Interior Modules d.o.o. Cuprija
- 102 MSSL Estonia WH OÜ
- 103 PKC Group Oy
- 104 PKC Wiring Systems Oy
- 105 PKC Group Poland Sp. z o.o.
- 106 PKC Wiring Systems Llc
- 107 PKC Group APAC Limited
- 108 PKC Group Canada Inc.
- 109 PKC Group USA Inc.
- 110 PKC Group Mexico S.A. de C.V.
- 111 Project del Holding S.a.r.l.
- 112 PK Cables do Brasil Ltda
- 113 PKC Eesti AS
- 114 TKV-sarjat Oy
- 115 PKC SEGU Systemelektrik GmbH
- 116 Groclin Luxembourg S.à r.l.
- 117 PKC Vehicle Technology (Suzhou) Co., Ltd.
- 118 AEES Inc.
- 119 PKC Group Lithuania UAB
- 120 PKC Group Poland Holding Sp. z o.o.
- 121 OOO AEK
- 122 Kabel-Technik-Polska Sp. z o.o.
- 123 T.I.C.S. Corporation
- 124 AEES Power Systems Limited partnership
- 125 Fortitude Industries Inc.
- 126 AEES Manufactuera, S. De R.L de C.V.
- 127 Cableodos del Norte II, S. de R.L de C.V.
- 128 Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.
- 129 Arneses y Accesorios de México, S. de R.L de C.V.
- 130 Asesoría Mexicana Empresarial, S. de R.L de C.V.
- 131 Arneses de Ciudad Juarez, S. de R.L de C.V.
- 132 PKC Group de Piedras Negras, S. de R.L. de C.V.
- 133 PKC Group AEES Commercial S. de R.L de C.V
- 134 Jiangsu Huakai-PKC Wire Harness Co., Ltd.
- 135 PKC Vehicle Technology (Hefei) Co, Ltd.
- 136 PKC Vehicle Technology (Fuyang) Co., Ltd.
- 137 Shangdong Huakai-PKC Wire Harness Co., Ltd.

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

- 138 Motherson Rolling Stock Systems GB Limited
- 139 Motherson PKC Harness Systems FZ-LLC
- 140 Wisetime Oy
- 141 Motherson Rolling Stocks S. de R.L. de C.V.
- 142 Global Environment Management (FZC)
- 143 SMRC Automotive Holdings B.V.
- 144 SMRC Automotive Holdings Netherlands B.V.
- 145 SMRC Automotives Techno Minority Holdings B.V.
- 146 SMRC Smart Automotive Interior Technologies USA, LLC
- 147 SMRC Automotive Modules France SAS
- 148 Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.
- 149 SMRC Automotive Interiors Spain S.L.U.
- 150 SMRC Automotive Interior Modules Croatia d.o.o
- 151 Samvardhana Motherson Reydel Autotecc Morocco SAS
- 152 SMRC Automotive Technology RU LLC
- 153 SMRC Smart Interior Systems Germany GmbH
- 154 SMRC Automotive Interiors Products Poland SA
- 155 SMRC Automotive Solutions Slovakia s.r.o.
- 156 SMRC Automotive Holding South America B.V.
- 157 SMRC Automotive Modules South America Minority Holdings B.V.
- 158 SMRC Automotive Tech Argentina S.A.
- 159 SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda
- 160 SMRC Automotive Products India Limited
- 161 SMRC Automotive Smart Interior Tech (Thailand) Ltd.
- 162 SMRC Automotive Interiors Japan Ltd.
- 163 Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd.
- 164 PT SMRC Automotive Technology Indonesia
- 165 Yujin SMRC Automotive Techno Corp.
- 166 SMRC Automotives Technology Phil Inc.
- 167 Motherson Innovations LLC
- 168 Samvardhana Motherson Corp Management Shanghai Co Ltd.
- 169 Motherson Ossia Innovations llc.
- 170 Motherson Consultancies Service Limited\*
- 171 Samvardhana Motherson Finance Service Cyprus Limited\*
- 172 Samvardhana Motherson Holding (M) Private Limited\*
- 173 Samvardhana Motherson Auto Component Private Limited\*
- 174 MS Global India Automotive Private Limited\*

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

- 175 Samvardhana Motherson Maadhyam International Limited\*
- 176 Samvardhana Motherson Global Carriers Limited\*
- 177 Samvardhana Motherson Innovative Solutions Limited\*
- 178 Samvardhana Motherson Refrigeration Product Limited\*
- 179 Motherson Machinery and Automations Limited\*
- 180 Samvardhana Motherson Auto System Private Limited\*
- 181 Motherson Sintermetal Technology B.V.\*
- 182 Motherson Invenzen XLab Private Limited\*
- 183 Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited)\*
- 184 MSID US Inc\*
- 185 MothersonSumi INfotekk and Designs GmbH\*
- 186 MothersonSumi Infotech and Designs S.G. Pte. Limited\*
- 187 MothersonSumi Infotech & Designs KK\*
- 188 Motherson Infotek Designs Mid East FZ-LLC\*
- 189 Motherson Infotech and Solutions UK Ltd\*
- 190 Motherson Auto Engineering Service Limited\*
- 191 Samvardhana Motherson Health Solutions Limited\*
- 192 SMI Technologies Inc.\*
- 193 Motherson Information Technologies Spain S.L.U.\*
- 194 Samvardhana Motherson Virtual Analysis Limited\*
- 195 SAKS Ancillaries Limited\*
- 196 Samvardhana Motherson Hamakyorex Engineered Logistics Limited\*
- 197 Motherson Techno Tools Limited\*
- 198 Motherson Techno Tools Mideast FZE\*
- 199 Motherson Molds and Diecasting Limited\*
- 200 Motherson Air Travel Agencies Limited\*
- 201 CTM India Limited\*
- 202 Motherson Sumi Wiring India Limited (refer note 51)
- 203 SMRC Automotive Interiors Management B.V. (liquidated w.e.f March 24, 2021)
- 204 MSSSL M Tooling Ltd (liquidated w.e.f. 30.10.2020)
- 205 SMR Plast Met Molds and Tools Turkey Kalp İmalat Anonim Sirketi
- 206 SMR Plast Met Automotive Tec Turkey Plastik İmalat Anonim Sirketi

**c. Joint Ventures:**

- 1 Motherson Sumi Wiring India Limited
- 2 Kyungshin Industrial Motherson Private Limited
- 3 Calsonic Kansei Motherson Auto Products Private Limited
- 4 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited (indirectly through Subsidiary)

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

- 5 Chongqing SMR Huaxiang Automotive Products Limited (indirectly through Subsidiary)
- 6 Tianjin SMR Huaxiang Automotive Part Co. Limited (indirectly through Subsidiary)
- 7 Nanchang JMCG SMR Huaxiang Mirror Co. Ltd (indirectly through Subsidiary)
- 8 Eissmann SMP Automotive Interieur Slovensko s.r.o (indirectly through Subsidiary)
- 9 Anest Iwata Motherson Coating Equipment Private Limited\*
- 10 Anest Iwata Motherson Private Limited\*
- 11 Valeo Motherson Thermal Commercial Vehicles India Limited\*
- 12 Matsui Technologies India Limited\*
- 13 Frigel Intelligent Cooling Systems India Private Limited\*
- 14 Fritzmeier Motherson Cabin Engineering Private Limited\*
- 15 Nissin Advanced Coating Indo Co. Private Limited\*
- 16 Motherson Bergstrom HVAC Solutions Private Limited\*
- 17 Marelli Motherson Automotive Lighting India Private Ltd.\*
- 18 Motherson Auto Solutions Limited\*
- 19 Marelli Motherson Auto Suspension Parts Pvt Ltd\*
- 20 Youngshin Motherson Auto Tech Limited\*

**d. Associate Companies:**

- 1 Saks Ancillaries Limited (became subsidiary during financial year March 31, 2022) (refer note 51)
- 2 Hubei Zhengao PKC Automotive Wiring Company Ltd. (indirectly through subsidiary)
- 3 AES (India) Engineering Limited\*

\*coverted into subsidiary/joint venture/associate pursuant to Composite Scheme (refer note 51). Transactions till effective date of merger are reported as transactions with other related parties and transactions post effective date of merger are reported based on the current relationship with the Company.

**II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 40 (I) above:****Key management personnel compensation**

	March 31, 2022	March 31, 2021
Short-term employee benefits	72	63
Directors commission/sitting fees	17	29
Post-employment benefits payable	68	50
Long-term employee benefits payable	24	16

**Terms and conditions:**

Transactions relating to sales and purchase of goods with related parties during the year are based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

There is no significant allowance for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties. Outstanding balances are unsecured and are repayable in cash.



**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**Transactions with related parties**

S. No.	Particulars	Subsidiaries		Joint ventures		Associate Company		Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>
1	Sale of products	6,349	5,125	8,775	1,439	-	-	-	-	0	1	210	231
2	Sales of services	1,082	834	738	434	-	-	-	-	-	-	26	7
3	Rent income	21	-	25	25	-	-	-	-	-	-	6	36
4	Sale of property, plant and equipment	12	1	-	-	-	-	-	-	-	0	-	0
5	Purchase of goods	1,569	907	230	2	-	-	-	-	4,900	5,758	425	1,634
6	Purchase of property, plant and equipment & Right-of-use assets	34	4	-	-	-	-	-	-	49	34	764	483
7	Purchase of services	535	338	117	0	-	-	-	-	118	290	720	924
8	Rent expense	37	-	-	-	-	-	6*	5*	20	26	365	143
9	Payment of lease liability	-	-	-	-	-	-	-	-	-	-	137	183
10	Payment of interest on lease liabilities	-	-	-	-	-	-	-	-	-	-	54	77
11	Reimbursement made	139	108	2	0	-	-	-	-	2	7	66	23
12	Reimbursement received	126	73	2,123	0	-	-	-	-	1	5	9	6
13	Royalty	-	-	-	-	-	-	-	-	267	277	-	-
14	Dividend paid	-	-	-	-	-	-	135**	0**	2,757	-	5	-
15	Dividend received	4,547	-	-	-	-	-	-	-	-	-	-	-
16	Investment made	-	8,636	-	-	-	-	-	-	-	-	-	-
17	Interest income	188	88	-	-	-	-	-	-	-	-	-	-
18	Guarantee given during the year	-	3,301	-	-	-	-	-	-	-	-	-	-
19	Guarantee released during the year	-	3,301	-	-	-	-	-	-	-	-	-	-
20	Guarantee & Letter of comfort during the year on account of merger	8,376	-	130	-	-	-	-	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**Outstanding balances arising from sales / purchases of goods and services**

S. No.	Particulars	Subsidiaries		Joint ventures		Associate Companies		Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>	March 31, 2022	March 31, 2021 <sup>a</sup>
1	Trade Payable	637	444	41	0	-	-	-	-	158	2,028	82	651
2	Trade Receivable	2,359	1,668	4,591	364	-	-	-	-	-	1	1	87
3	Other Payable	-	-	0	-	-	-	-	-	-	-	15	-
4	Advances recoverable	182	166	1	-	-	-	-	-	-	-	3	77
5	Advances from customer	2	24	24	3	-	-	-	-	0	1	0	-
6	Investments (refer note 6 & 5i)	251,501	52,948	52,352	486	-	11	-	-	-	-	3	14
7	Capital advance given	-	-	-	-	-	-	-	-	-	-	31	31
8	Guarantees given	21,568	13,497	-	-	-	-	-	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### Loans & advances to / from related parties

S. No.	Particulars	Subsidiaries		Joint ventures		Other related parties	
		March 31, 2022	March 31, 2021 <sup>^</sup>	March 31, 2022	March 31, 2021 <sup>^</sup>	March 31, 2022	March 31, 2021 <sup>^</sup>
<b>i.</b>	<b>Security deposits given:</b>						
	Beginning of the year	-	-	-	-	184	488
	Addition due to business combination	-	-	-	-	48	-
	Security deposit given	-	-	-	-	71	68
	Security deposits received back	-	-	-	-	(107)	(141)
	<b>End of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>196</b>	<b>415</b>
<b>ii.</b>	<b>Security Deposit Received:</b>						
	<b>Beginning of the year</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>35</b>	<b>17</b>	<b>14</b>
	Security deposits received	-	-	290	-	-	3
	Addition due to business combination	15	-	-	-	(15)	-
	Security deposits repaid	-	-	-	(1)	(2)	-
	<b>End of the year</b>	<b>15</b>	<b>-</b>	<b>324</b>	<b>34</b>	<b>-</b>	<b>17</b>
<b>iii.</b>	<b>Loans given</b>						
	<b>Beginning of the year</b>	<b>26,656</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>457</b>	<b>131</b>
	Loans given	27	26,424	-	-	75	300
	Loan on account of merger	3,479	-	22	-	-	-
	interest on account of merger	158	-	0	-	-	-
	Interest charged	741	345	0	-	46	31
	Interest received	(753)	-	(1)	-	(78)	(5)
	TDS	(7)	(0)	(0)	-	-	-
	Loans received back	(5,100)	-	(2)	-	(500)	-
	Exchange gain / (loss) on translation	(72)	(114)	-	-	-	-
	<b>End of the year</b>	<b>25,129</b>	<b>26,656</b>	<b>19</b>	<b>-</b>	<b>0</b>	<b>457</b>

\* Rent of ₹ 6 million (March 31, 2021: ₹ 5 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

\*\*Dividend of ₹ 135 million (March 31, 2021 : Nil) paid to Mr. V. C. Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Pankaj Mital, Mr. G.N. Gauba, Ms. Geeta Mathur, Mr Naveen Ganzu, Arjun Puri, Alok Goel and Mr. Gautam Mukherjee.

<sup>^</sup> inclusive of discontinued operations

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

#### 41 Segment Information:

Description of segments and principal activities

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments".

#### A. Disaggregated revenue information

##### i) Revenue from external customers

	As at March 31, 2022	As at March 31, 2021
India	40,735	27,582
Outside India	12,713	9,110
	<b>53,448</b>	<b>36,692</b>

	As at March 31, 2022	As at March 31, 2021
<b>Type of goods or Services</b>		
Sales of Components	49,150	33,724
Tool development	1,399	1,120
Sale of services	2,421	1,509
<b>Total revenue from contracts with customers</b>	<b>52,970</b>	<b>36,353</b>

	As at March 31, 2022	As at March 31, 2021
<b>Timing of revenue recognition</b>		
As a point in time	51,571	35,233
Over a period of time	1,399	1,120
<b>Total revenue from contracts with customers</b>	<b>52,970</b>	<b>36,353</b>

##### ii) Segment Assets

Total of non-current assets other than financial instruments, investment in subsidiaries, joint ventures and associate and deferred tax assets broken down by location of the assets, is shown below:

	As at March 31, 2022	As at March 31, 2021
India	18,646	18,056
Outside India	-	-
	<b>18,646</b>	<b>18,056</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
iii) Capital expenditure	2,581	1,603

### iv) Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is as follows

	As at March 31, 2022	As at March 31, 2021
Customer 1	-	-

## 42 Capital and Other Commitments

Capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	As at March 31, 2022	As at March 31, 2021
<b>Property, plant and equipment</b>		
Estimated value of contracts in capital account remaining to be executed, (net of advances of ₹ 138 million (March 31, 2021: ₹ 140 million))	695	940
Estimated value of contracts of discontinued operations in capital account remaining to be executed, (net of advances of ₹ 8 million during March 31, 2021)	-	135
<b>Total</b>	<b>695</b>	<b>1,075</b>
<b>Other Commitments</b>		
Corporate Guarantee issued on behalf of subsidiary companies	21,568	13,497
Letter of comfort issued on behalf of Joint ventures	130	-

## 43 Contingent liabilities:

### Claims against the Company not acknowledged as debts

	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
a) Excise, sales tax and service tax matters*	50	52
b) Claims made by workmen	65	65
c) Income tax matters	73	95

\* Against which Company has not given any bank guarantees

<sup>^</sup> Includes contingent liabilities of discontinued operations.

- a) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- b) The Company has assessed that it is only possible but not probable that outflow of economic resources will be required.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

## 44 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are as follows:

	Notes	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
<b>Current:</b>			
Cash and cash equivalents	13	6,246	2,867
Trade receivables	8	11,215	11,934
Inventory	12	6,877	13,530
Other current assets		3,978	6,021
<b>Total current assets pledged as security</b>		<b>28,316</b>	<b>34,352</b>
<b>Non Current:</b>			
Freehold and leasehold land		87	1,072
Buildings and leasehold improvements		166	7,686
Plant & Machinery		4,372	7,105
Investment property		257	835
Non current investment	6(a)	37,751	24,705
<b>Total non-current assets pledged as security</b>		<b>42,633</b>	<b>41,403</b>
<b>Total assets pledged as security</b>		<b>70,949</b>	<b>75,755</b>

<sup>^</sup> Assets pledged includes assets of discontinued operations

## 45 Ind AS 115 Revenue from contracts with customers

The transaction price allocated to the remaining performance obligations related to tool development (unsatisfied or partially unsatisfied) are, as follows:

	As at March 31, 2022	As at March 31, 2021
Within one year	653	370
More than one year	81	1
<b>Total</b>	<b>734</b>	<b>371</b>

Table below provides information on revenue recognised from :

	As at March 31, 2022	As at March 31, 2021
Amounts included in contract liabilities at the beginning of the year	515	627
Performance obligations partly satisfied in previous years	206	172

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	As at March 31, 2022	As at March 31, 2021
Trade Receivables (refer note 8)	11,215	5,185
Contract assets (refer note 9)	934	473
Contract liabilities (refer note 24)	1,096	528

Contract assets are initially recognised for revenue earned from development of tools and secondary equipment as receipt of consideration is conditional on successful completion and acceptance by the customer. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The expected credit loss on contract assets is considered very low and hence no provision for credit loss is recorded in respect of contract assets.



## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 46 Leases

The Company assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Company recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

The Company has leases contracts for land, premises, plant & machinery and vehicles. These lease arrangements for land are for a period upto 99 years, for premises are for a period upto 10 years, plant & machinery are for a period upto 5 years and vehicles are for a period upto 5 years. The Company also has certain leases of machinery, computers, vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	231	122
Non-current lease liabilities	480	600
	<b>711</b>	<b>722</b>

#### Amount recognised in statement of profit and loss during the year on account of Ind AS 116

	As at March 31, 2022	As at March 31, 2021
Interest expense on lease liabilities (included in finance cost)	54	72
Depreciation of Right of Use assets	172	186
Lease expense derecognised	171	229
<b>Other items included in statement of profit and loss during the year:</b>		
Short term and low value lease payments	255	173

### 47 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company's operations have been impacted partially by the outbreak of COVID-19 pandemic and the consequent lockdown announced by central and state governments. Accordingly, the financial statements for the year ended March 31, 2022 are not strictly comparable with those of previous period.

### 48 Dues to micro, small and medium enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	601	545
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2	1
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,207	2,107
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	3	4
Further interest remaining due and payable for earlier years	-	-

<sup>^</sup> inclusive of discontinued operations

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 49 Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations And Disclosures Requirements) Regulation, 2015:

a) Loans and advances in the nature of loans to subsidiaries and associates (including interest)

	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
<b>Loan to Subsidiary: MSSL Mideast (FZE)</b>		
Balance as at year end	-	3,003
Maximum amount outstanding at any time during the year	3,003	3,003
<b>Loan to Subsidiary: MSSL Mauritius Holdings Limited</b>		
Balance as at year end	21,410	23,649
Maximum amount outstanding at any time during the year	23,649	23,649
<b>Loan to Subsidiary: Samvardhana Motherson Holding Pvt Ltd<sup>1</sup></b>		
Balance as at year end	345	-
Maximum amount outstanding at any time during the period effective from merger	345	-
<b>Loan to Subsidiary: MS Global India Automotive Private Limited<sup>1</sup></b>		
Balance as at year end	1,452	-
Maximum amount outstanding at any time during the period effective from merger	1,452	-
<b>Loan to Subsidiary: Samvardhana Motherson Auto Component Private Limited<sup>1</sup></b>		
Balance as at year end	187	-
Maximum amount outstanding at any time during the period effective from merger	187	-
<b>Loan to Subsidiary: Motherson Sumi Infotech &amp; Designs Ltd.<sup>1</sup></b>		
Balance as at year end	375	-
Maximum amount outstanding at any time during the period effective from merger	375	-
<b>Loan to Subsidiary: Motherson Invenzen Xlab Private Limited<sup>1</sup></b>		
Balance as at year end	21	-
Maximum amount outstanding at any time during the period effective from merger	21	-
<b>Loan to Subsidiary: Samvardhana Motherson Innovative Solutions Limited<sup>1</sup></b>		
Balance as at year end	1,214	-
Maximum amount outstanding at any time during the period effective from merger	1,214	-
<b>Loan to Subsidiary: Samvardhana Motherson Global Carriers Limited<sup>1</sup></b>		
Balance as at year end	125	-
Maximum amount outstanding at any time during the period effective from merger	125	-

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021 <sup>1</sup>
<b>Loan to Associate: Motherson Sumi Wiring India Limited</b>		
Balance as at year end	-	4
Maximum amount outstanding at any time during the year	4	4
<b>Loan to Joint Venture: Valeo Motherson Thermal Commercial Vehicles India Ltd<sup>1</sup></b>		
Balance as at year end	20	-
Maximum amount outstanding at any time during the period effective from merger	20	-

<sup>1</sup> Pursuant to Composite Scheme, the aforesaid loans were acquired through merger with erstwhile SAMIL (refer note 51).

### b) the particulars of loans to subsidiaries which are disclosed below as required by Sec 186(4) of the Companies Act 2013:

Name of the Borrower	Currency of loan	As at March 31, 2022	As at March 31, 2021
MSSL Mideast (FZE)	EUR	-	3,003
MSSL Mauritius Holdings Limited	EUR	-	2,186
MSSL Mauritius Holdings Limited	EUR	12,718	13,203
MSSL Mauritius Holdings Limited	USD	8,692	8,261
Motherson Sumi Wiring India Limited	INR	-	4
Samvardhana Motherson Holding Pvt Ltd	INR	345	-
MS Global India Automotive Private Limited	INR	1,452	-
Samvardhana Motherson Auto Component Private Limited	INR	187	-
Motherson Sumi Infotech & Designs Ltd.	INR	375	-
Motherson Invenzen Xlab Private Limited	INR	21	-
Samvardhana Motherson Innovative Solutions Limited	INR	1,214	-
Samvardhana Motherson Global Carriers Limited	INR	125	-

All loans are Unsecured loans.

The tenure and interest rate on these shall vary in the range of 1-3 years and between 2.00% to 10.00% depending upon currency and tenure .

The purpose of above loans are Investment/ advances to other group companies and meeting other financial obligations.

### 50 Merger by way of absorption of Motherson Polymers Compounding Solution Private Limited

During the the previous financial year, the Company has received approval from NCLT, Delhi and Mumbai Bench, approving the scheme of merger by way of absorption of Motherson Polymers Compounding Solution Private Limited (MPCSL) a wholly owned subsidiary. The order sanctioning the scheme have been filed with the Registrar of Companies, Mumbai and Registrar of Companies, Delhi on September 30, 2020.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

As per the scheme, all assets and liabilities and reserves of MPCSL have been recorded in the books of account of the Company at their existing carrying amounts and in the same form, which is in accordance with the IND AS - 103 "Business Combination".

### 51 The Composite Scheme of Amalgamation and Arrangement

The Board of Directors in its meeting dated July 02, 2020, approved a group reorganization plan with the objective of creating value for the shareholders of the Company. The reorganization plan approved by the respective Boards of the Company and erstwhile Samvardhana Motherson International Limited ("erstwhile SAMIL") among other things, entails demerger of Domestic Wiring Harness ("DWH") business from the Company into a new company Motherson Sumi Wiring India Limited ("MSWIL") and subsequent merger of erstwhile SAMIL into the Company to consolidate 100% shareholding in Samvardhana Motherson Automotive Systems Group BV ("SMRP BV") as well as to bring all auto component and allied businesses in erstwhile SAMIL under the Company.

The Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated December 22, 2021 approved the Composite Scheme of Amalgamation and Arrangement ("the Scheme") between the Company, Motherson Sumi Wiring India Limited ("MSWIL"), erstwhile Samvardhana Motherson International Limited (erstwhile SAMIL) and their respective shareholders, there by making the scheme effective.

Considering that all necessary and substantive approvals were received, the Company had given effect to the merger and demerger accounting from December 31, 2021 in accordance with the accounting treatment prescribed in the Scheme and relevant accounting principles.

#### A Demerger of Domestic Wiring Harness (DWH) Business

As per the Scheme, 3,157,934,237 equity shares having face value of ₹ 1/- each, were allotted by MSWIL, in the ratio of 1 equity share of MSWIL of face value ₹ 1/- each for every 1 equity share of the Company of face value ₹ 1/- each, to the shareholders of the Company as on January 19, 2022, being the record date fixed by the Company. The carrying amount of net assets amounting to ₹ 10,721 million, as on December 31, 2021, pertaining to DWH Business transferred to MSWIL was adjusted against retained earnings of the Company. Till the date of transfer, results of DWH Business were reflected and presented as Discontinued Operation.

The listing process for these allotted shares of MSWIL has now been also completed on March 28, 2022 after completing all necessary regulatory approvals and procedures.

(i) The results of DWH business are presented below:

	From April 01, 2021 to December 31, 2021	For the year ended March 31, 2021
Revenue from contract with customers	39,309	41,167
Other operating revenue	426	215
<b>Revenue from operations</b>	<b>39,735</b>	<b>41,382</b>
Other income	207	275
Total expenses	35,096	37,261
<b>Profit/(loss) before tax for the period</b>	<b>4,846</b>	<b>4,396</b>
Tax expense/ (credit)	1,204	1,129
<b>Profit / (loss) for the period</b>	<b>3,642</b>	<b>3,267</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

The income and expenses of continuing operation includes transactions with discontinued operation, which does not have impact on "Profit / (loss) for the year from continuing and discontinued operations" as disclosed in standalone statement of profit and loss. Revenue from contract with customers on account of transaction between continuing operations and discontinued operations is as follows:

	From April 01, 2021 to December 31, 2021	For the year ended March 31, 2021
Amount included in continuing operation	12,929	12,398
Amount included in discontinued operation	12	15

- (ii) The major classes of assets and liabilities of DWH business classified as held for distribution as on March 31, 2021, and book value of assets and liabilities transferred as on effective date of scheme are presented below:

	December 31, 2021	March 31, 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,697	1,559
Right-of-use assets	324	138
Capital work in progress	4	1
Financial assets		
i. Loans	31	26
ii. Other financial assets	89	82
Deferred tax assets (net)	271	259
Other non-current assets	87	151
Non-current tax assets (net)	31	0
<b>Total non-current assets</b>	<b>2,534</b>	<b>2,216</b>
<b>Current assets</b>		
Inventories	9,788	7,986
Financial assets		
i. Trade receivables*	7,688	6,749
ii. Cash and cash equivalents	7	372
iii. Loans	21	12
iv. Other financial assets	77	103
Other current assets	626	455
<b>Total current assets</b>	<b>18,207</b>	<b>15,677</b>
<b>Total assets</b>	<b>20,741</b>	<b>17,893</b>
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Financial Liabilities		
i. Borrowings	103	139
ii. Lease liabilities	292	100
iii. Other financial liabilities	76	75
Employee benefit obligations	146	211
Government grants	199	222
<b>Total non-current liabilities</b>	<b>816</b>	<b>747</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	December 31, 2021	March 31, 2021
<b>Current liabilities</b>		
Financial Liabilities		
i. Borrowings	47	675
ii. Lease liabilities	78	45
iii. Trade payables	7,309	7,516
iv. Other financial liabilities	754	831
Provisions	12	8
Employee benefit obligations	481	494
Government grants	30	30
Other current liabilities	493	447
<b>Total current liabilities</b>	<b>9,204</b>	<b>10,046</b>
<b>Total liabilities</b>	<b>10,020</b>	<b>10,793</b>
<b>Net Assets directly associated with DWH business</b>	<b>10,721</b>	<b>7,100</b>

Assets and liabilities are disclosed after netting off of below mentioned amount of receivable and payable between continuing operation and discontinued operation in standalone balance sheet.

	As at March 31, 2021
Amount receivable from discontinued operation	2,330
Amount payable to discontinued operation	22
*Includes below balances with related parties	
Trade receivables from related parties	161
Trade payable to related parties	1746

- (iii) Net cash flows attributable to the DWH business are as follows:

	From April 01, 2021 to December 31, 2021	For the year ended March 31, 2021
Net cash generated from / (used in) operating activities	916	(29)
Net cash used in investing activities	(452)	(299)
Net cash generated from financing activities	(840)	383
<b>Net increase in cash and cash equivalents</b>	<b>(376)</b>	<b>55</b>

The Company has incurred expenses amounting ₹ 481 million (March 31, 2021: ₹ 199 million) in connection with the implementation of the scheme of arrangement, which have been disclosed as exceptional expenses in statement of profit and loss.

### B Amalgamation of erstwhile Samvardhana Motherson International Limited

In accordance with the Scheme, 1,359,680,007 net equity shares having face value of ₹ 1/- each have been allotted by the Company in the ratio of 51 equity shares of the Company of face value ₹ 1/- each for every 10 equity shares of erstwhile SAMIL of face value ₹ 10/- each to the shareholders of erstwhile SAMIL as on January 28, 2022, being the record date fixed in terms of the Scheme. This translates into net consideration for the transaction at ₹ 241,827 million and capital reserve of ₹ 3,612 million, being excess of fair value of identifiable assets and liabilities assumed through merger with erstwhile SAMIL over net consideration. The fair values used for the accounting have been determined based on purchase price Allocation in accordance with IND AS 103 – "Business Combination".



## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

(i) Assets and Liabilities recognized as result of above scheme are as follows:

Particulars	Amount in ₹ Million
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	17
Right-of-use assets	86
Investment accounted as per equity methods	247,668
Financial assets	
i. Investments	2
ii. Other financial assets	140
Other non-current assets	9
Non-current tax assets (net)	123
<b>Total non-current assets</b>	<b>248,045</b>
<b>Current assets</b>	
Financial assets	
i. Investments	900
ii. Trade receivables	27
iii. Cash and cash equivalents	145
iv. Bank balances other than (iii) above	7
v. Loans	3,489
vi. Other financial assets	376
Other current assets	13
<b>Total current assets</b>	<b>4,957</b>
<b>Total assets</b>	<b>253,002</b>
<b>LIABILITIES</b>	
<b>Non current liabilities</b>	
Financial Liabilities	
i. (a) Lease liabilities	47
Employee benefit obligations	101
Other non-current liabilities	29
<b>Total non-current liabilities</b>	<b>177</b>
<b>Current liabilities</b>	
Financial Liabilities	
i. Borrowings	7,000
i. (a) Lease liabilities	42
ii. Trade payables	151
iii. Other financial liabilities	109
Employee benefit obligations	29
Other current liabilities	55
<b>Total current liabilities</b>	<b>7,386</b>
<b>Total liabilities</b>	<b>7,563</b>
<b>Net identifiable assets acquired</b>	<b>245,439</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

Calculation of goodwill / (gain on bargain purchase)	Amount in ₹ Million
Purchase consideration	
Issue of equity share capital to share holders of SAMIL(net)	1,360
Security premium recognised over the face value of equity share capital	240,467
Net identifiable assets acquired	245,439
<b>Goodwill / (gain on bargain purchase)</b>	<b>(3,612)</b>

52 Pursuant to implementation of Composite scheme (refer note 51), domestic wiring harness business of the Company is transferred to Motherson Sumi Wiring India Limited (MSWIL). There are various common facilities/ functions with the Company and cost in respect of the same are incurred by the Company. Motherson Sumi Wiring India Limited (MSWIL) reimburses to the Company the cost at actual basis or shared basis based on mainly in the ratio of sales of domestic and non-domestic wiring harness business as mutually decided by both the Companies with effect from the appointed date of April 1, 2021. These costs are excluded in the respective expense head as mentioned below.

	For the year ended March 31, 2022
<b>Employee benefits expense (refer note 29)</b>	
Salary, wages & bonus	606
Contribution to provident & other fund	51
Gratuity	22
Staff welfare expenses	36
<b>A Total Employee benefits expense</b>	<b>715</b>
<b>Other expenses (refer note 30)</b>	
Electricity, water and fuel	13
Repairs and maintenance:	
Machinery	11
Building	3
Others	28
Consumption of stores and spare parts	4
Rent	81
Rates & taxes	1
Insurance	58
Donation	13
Travelling	22
Freight & forwarding	0
Commission	4
Legal & professional expenses	362
Miscellaneous expenses	84

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2022
<b>B Total Other expenses</b>	<b>684</b>
<b>Finance costs (refer note 31)</b>	
Interest on long term borrowings	16
Interest on lease liabilities	5
<b>C Total Finance costs</b>	<b>21</b>
<b>Depreciation and amortisation expense (refer note 32)</b>	
Depreciation on right of use assets	20
<b>D Total Depreciation and amortisation expense</b>	<b>20</b>
<b>E Exceptional (income) / expenses (refer note 51)</b>	<b>104</b>
<b>Total Shared cost (A+B+C+D+E)</b>	<b>1,544</b>

### 53 Acquisition of CIM Tools Private Limited

On October 08, 2021 the Company signed share purchase agreement for acquisition of 55% stake in CIM Tools Private Limited (CIM). CIM in turn holds 83% stake in Aero Treatment Private Limited (ATPL) and 49.99% in Lauak CIM Aerospace (JV with Lauak International, LCA), together known as CIM Group for a total purchase consideration of ₹ 1,609 million (subject to final adjustments).

CIM Tools is engaged in specialised machining and sub-assembly of components for the aerospace industry. ATPL is a vertically integrated unit engaged in surface treatment of machined parts. This acquisition marked Company's entry into the Aerospace industry and provides it with access to an existing and well established customer base as well as additional specialised capabilities to serve the aerospace industry through its four dedicated facilities. The successful closure of this acquisition is another step forward in the diversification strategy of Motherson.

As the initial accounting and a detailed study into allocation of purchase price over the fair value assets and liabilities assumed on acquisition is still in progress as at the date of this report, the disclosures generally applicable for a business combination are therefore not produced, however this has no impact on the financial statements for the year ended March 31, 2022 as the transaction has been completed in the month of April 2022.

### 54 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company is not declared as wilful defaulter by any bank or financial institutions.

**55** Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Company

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005  
  
per **PANKAJ CHADHA**  
Partner  
Membership No.: 091813

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

Place: Mumbai  
Date : May 26, 2022

**KUNAL MALANI**  
Chief Financial Officer

Place: Mumbai  
Date : May 26, 2022

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Place: Mumbai  
Date : May 26, 2022

**ALOK GOEL**  
Company Secretary

Place: Noida  
Date : May 26, 2022

# **CONSOLIDATED FINANCIAL STATEMENTS**



## INDEPENDENT AUDITOR'S REPORT

**To the Members of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited)**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures comprising of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing

(SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Accounting for the Composite Scheme of Amalgamation and Arrangements</b> (as described in Note 51 of the consolidated financial statements)</p> <p>The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated December 22, 2021 has approved the Composite Scheme of Amalgamation and Arrangement ("the Scheme") between the Company, Motherson Sumi Wiring India Limited ("MSWIL"), erstwhile Samvardhana Motherson International Limited (SAMIL) and their respective shareholders.</p> <p>The Scheme entails demerger of Domestic Wiring Harness ("DWH") business from the Company into a new company, viz., MSWIL and subsequent merger of erstwhile SAMIL into the Company to bring its all auto component and allied businesses under the Group.</p> <p>In respect to the demerger, the carrying value of the identified net assets pertaining to the DWH business transferred to MSWIL has been adjusted against general reserve of the Group.</p> <p>For merger, the identifiable assets and liabilities of erstwhile SAMIL have been accounted for in accordance with IND AS 103 – "Business Combination" at the fair values determined by an independent valuer appointed by the Group.</p> <p>The above is considered as a key audit matter as transaction involves significant amount, exercise of judgement, interpretation of the relevant accounting standards and applicable tax and other statutes/regulations.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. Read and assessed the provisions of the Scheme and the NCLT order;</li> <li>2. Obtained an understanding and assessed the effectiveness of process followed by the management for recording the accounting treatment prescribed in the Scheme;</li> <li>3. Evaluated whether the accounting treatment of the said transaction is in line with the applicable Indian Accounting Standards (Ind AS) and accounting guidance;</li> <li>4. Tested the management's assessment and computation for identifying the relevant assets and liabilities of the demerged business;</li> <li>5. Performed testing procedures including involvement of valuation specialists for testing of the valuation reports provided by the management for the appropriateness of assumptions involved;</li> <li>6. Verified whether the accounting entries recorded in the books are in line with the accounting treatment assessed above, including the arithmetical accuracy of the same;</li> <li>7. Read and assessed the disclosure made in the consolidated financial statements for assessing compliance with disclosure requirements.</li> </ol>
<p><b>De-recognition of trade receivables under factoring facilities</b> (as described in Note 8 of the consolidated financial statements)</p> <p>The Group enters into non-recourse factoring arrangements for its trade receivables with various banks/financial institutions.</p> <p>As at 31 March 2022, the Group had factoring facilities in place for trade receivables amounting to ₹ 44,151 million which were de-recognized in the financial statements.</p> <p>The Group derecognizes the receivables from its books if it transfers substantially all the risks and rewards of ownership of the financial asset (i.e. receivables).</p> <p>The assessment of de-recognition of trade receivables under the factoring facilities is complex and requires significant judgement applied by the management Accordingly, the matter has been identified as KAM.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. The procedures performed by us in respect of the entity audited by us and by other component auditors in respect of entities where we are not the auditors, included following: <ol style="list-style-type: none"> <li>a. Obtained an understanding of the process related to de-recognition of trade receivables;</li> <li>b. Evaluated the assessment made by management covering factoring contracts;</li> <li>c. For selected sample of new contracts entered during the year, tested their nature and evaluated whether key terms and conditions thereof are in line with the guidance prescribed under Ind AS 109, "Financial Instruments";</li> </ol> </li> <li>2. In respect of the entities where we are not the auditors, we made enquires of the procedures performed by them as enumerated above;</li> <li>3. We read and assessed the disclosure made in the consolidated financial statements for assessing compliance with disclosure requirements.</li> </ol>

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 89 subsidiaries, whose financial statements include total assets of Rs. 740,348 million as at March 31, 2022, and total revenues of Rs. 497,833 million and net cash outflows of Rs. 14,278 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of Rs. 898 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 9 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of such other auditors.
- (b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 59 subsidiaries, whose financial statements and other financial information reflect total assets of Rs. 19,311 million as at March 31, 2022, and total revenues of Rs. 5,172 million and net cash outflows of Rs. 290 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished

to us by the management. The consolidated financial statements also include the Group's share of net loss of Rs. 11 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 7 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint ventures companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xx) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;



(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated financial statements – Refer Note 20 and 43 to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 37 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) the Group's share of net profit/loss in respect of its associates and/ or joint ventures;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2022;
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The dividend declared or paid during the year/ subsequent to the year- end by the Holding company, subsidiary companies and joint ventures incorporated in India, is in compliance with section 123 of the Act.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 22091813AJRVKP7764

Place of Signature: Noida

Date: May 26, 2022

**Annexure 1 referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date**

**Re: Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (the "Holding Company")**

According to the information and explanations given to us and procedures performed by us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to

report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 22091813AJRVKP7764

Place of Signature: Noida

Date: May 26, 2022

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED (FORMERLY KNOWN AS MOTHERSON SUMI SYSTEM LIMITED)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the companies included in the Group, its associates and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Group, its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the

essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 18 subsidiaries, 9 joint ventures and 1 associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, joint ventures and associates incorporated in India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 22091813AJRVKP7764

Place of Signature: Noida

Date: May 26, 2022

(All amounts in ₹ Million, unless otherwise stated)

**CONSOLIDATED BALANCE SHEET**

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	145,252	143,738
Right-to-use assets	3(b)	16,031	14,383
Capital work-in-progress	3(c)	12,488	8,383
Investment properties	4	5,241	1,281
Goodwill	5	33,743	24,718
Other intangible assets	5	13,845	16,871
Intangible assets under development	3(c)	609	386
Investments accounted for using the equity method	48	62,647	7,166
Financial assets			
i. Investments	6 (a)	1,958	1,287
ii. Loans	7	36	445
iii. Trade receivables	8	14,516	14,946
iv. Other financial assets	9	2,413	1,069
Deferred tax assets (net)	11 (a)	11,486	10,224
Other non-current assets	10	13,767	13,835
Non-current tax assets (net)	23	2,507	1,843
<b>Total non-current assets</b>		<b>336,539</b>	<b>260,575</b>
<b>Current assets</b>			
Inventories	12	64,417	49,956
Financial assets			
i. Investments	6 (b)	12	12
ii. Trade receivables	8	65,731	56,931
iii. Cash and cash equivalents	13	48,775	58,994
iv. Bank balances other than (iii) above	14	1,219	68
v. Loans	7	289	272
vi. Other financial assets	9	31,278	24,200
Other current assets	10	14,441	12,052
<b>Total current assets</b>		<b>226,162</b>	<b>202,485</b>
Assets classified as held for distribution	51	-	17,790
<b>Total assets</b>		<b>562,701</b>	<b>480,850</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	4,518	3,158
<b>Other equity</b>			
Reserves and surplus	16 (a)	194,511	114,419
Other reserves	16 (b)	6,854	8,029
<b>Equity attributable to owners of the Company</b>		<b>205,883</b>	<b>125,606</b>
Non controlling interests		17,763	40,233
<b>Total equity</b>		<b>223,646</b>	<b>165,839</b>

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial Liabilities			
i. Borrowings	17 (a)	85,007	74,687
i. (a) Lease liabilities	46	10,070	9,422
ii. Other financial liabilities	18	4,811	6,076
Provisions	20	1,348	1,482
Employee benefit obligations	21	5,466	4,914
Deferred tax liabilities (net)	11 (b)	5,445	3,363
Government grants	22	2,392	2,142
Other non-current liabilities	24 (a)	1,663	1,629
<b>Total non-current liabilities</b>		<b>116,202</b>	<b>103,715</b>
<b>Current liabilities</b>			
Financial Liabilities			
i. Borrowings	17 (b)	42,602	31,945
i. (a) Lease liabilities	46	3,618	3,242
ii. Trade payables	19	113,603	111,406
iii. Other financial liabilities	18	33,179	30,826
Provisions	20	4,815	4,968
Employee benefit obligations	21	2,280	2,014
Government grants	22	475	455
Current tax liabilities (net)	23	3,901	3,342
Other current liabilities	24 (b)	18,380	14,745
<b>Total current liabilities</b>		<b>222,853</b>	<b>202,943</b>
Liabilities directly associated with the assets held for distribution	51	-	8,353
<b>Total liabilities</b>		<b>339,055</b>	<b>315,011</b>
<b>Total equity and liabilities</b>		<b>562,701</b>	<b>480,850</b>
Summary of significant accounting policies	2		

This is the consolidated Balance Sheet referred to in our report of even date

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **PANKAJ CHADHA**  
Partner  
Membership No.: 091813

Place: Noida  
Date : May 26, 2022

The above consolidated balance sheet should be read in conjunction with the accompanying notes

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

Place : Mumbai  
Date : May 26, 2022

**KUNAL MALANI**  
Chief Financial Officer

Place : Mumbai  
Date : May 26, 2022

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Place: Mumbai  
Date : May 26, 2022

**ALOK GOEL**  
Company Secretary

Place: Noida  
Date : May 26, 2022



(All amounts in ₹ Million, unless otherwise stated)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Continuing Operations:</b>			
<b>Revenue</b>			
Revenue from contract with customers	25 (a)	628,317	569,513
Other operating revenue	25 (b)	7,043	4,186
<b>Total revenue from operations</b>		<b>635,360</b>	<b>573,699</b>
Other income	26	4,957	2,293
<b>Total income</b>		<b>640,317</b>	<b>575,992</b>
<b>Expenses</b>			
Cost of materials consumed	27	368,049	326,758
Purchase of stock-in-trade		1,828	1,033
Change in inventories of finished goods, work-in-progress and stock in trade	28	(2,514)	(1,812)
Employee benefits expense	29	153,746	140,996
Depreciation and amortisation expense	32	29,582	29,260
Finance costs	31	5,426	5,115
Other expenses	30	69,637	63,135
<b>Total expenses</b>		<b>625,754</b>	<b>564,485</b>
<b>Profit before exceptional items, share of net profit of investments accounted for using equity method and tax</b>		<b>14,563</b>	<b>11,507</b>
Exceptional (income) / expenses	51, 54	481	623
Group's share in net profit / (loss) of associates and joint ventures accounted for using the equity method		160	849
<b>Profit before tax from continuing operations</b>		<b>14,242</b>	<b>11,733</b>
<b>Tax expenses</b>			
Current tax	33	7,315	6,066
Deferred tax expense/ (credit)	33	(1,246)	(6,760)
<b>Total tax expense</b>		<b>6,069</b>	<b>(694)</b>
<b>Profit for the year from continuing operations</b>		<b>8,173</b>	<b>12,427</b>
<b>Discontinued operations:</b>	51		
Revenue from operations		39,735	41,382
Other income		207	275
Total expenses		35,096	37,261
<b>Profit before tax from discontinued operations</b>		<b>4,846</b>	<b>4,396</b>
Tax expense/ (credit) of discontinued operations		1,204	1,129
<b>Profit for the year from discontinued operations</b>		<b>3,642</b>	<b>3,267</b>
<b>Profit for the year from continuing and discontinued operations</b>		<b>11,815</b>	<b>15,694</b>
<b>Other comprehensive income from continuing operations</b>			
<b>Items not to be reclassified to profit or loss</b>			
Changes in fair value of FVOCI equity instruments		14	(437)
Remeasurements of post-employment benefit obligations		300	(51)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		0	2
		<b>314</b>	<b>(486)</b>
Deferred tax on fair valuation of FVOCI equity investment		40	(1)
Deferred tax on remeasurements of post-employee benefit obligations		(66)	10
		<b>288</b>	<b>(477)</b>
<b>Items to be reclassified to profit or loss</b>			
Exchange gain/ (losses) on translation of foreign operations		1,407	2,104
Deferred gain / (losses) on cash flow hedges		703	1,669
		<b>2,110</b>	<b>3,773</b>
Income tax on deferred gain / (losses) on cash flow hedges		(180)	(69)
		<b>1,930</b>	<b>3,704</b>

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Other comprehensive income from discontinued operations</b>			
<b>Items not to be reclassified to profit or loss</b>			
Remeasurements of post-employment benefit obligations		(29)	(11)
Income tax relating to items that will not be reclassified to profit or loss		7	3
		<b>(22)</b>	<b>(8)</b>
<b>Total other comprehensive income from continuing and discontinued operations for the year, net of tax</b>		<b>2,196</b>	<b>3,219</b>
<b>Total comprehensive income from continuing and discontinued operations for the year, net of tax</b>		<b>14,011</b>	<b>18,913</b>
<b>Profit attributable to:</b>			
Owners		8,738	10,392
Non-controlling interest		3,077	5,302
		<b>11,815</b>	<b>15,694</b>
<b>Other comprehensive income attributable to:</b>			
Owners		349	2,484
Non-controlling interest		1,847	735
		<b>2,196</b>	<b>3,219</b>
<b>Total comprehensive income attributable to:</b>			
Owners		9,087	12,876
Non-controlling interest		4,924	6,037
		<b>14,011</b>	<b>18,913</b>
<b>Earnings per share</b>	34		
Nominal value per share: ₹ 1/- (Previous year : ₹ 1/-)			
<b>Earnings per share for continuing operations</b>			
Basic and Diluted		1.46	2.26
<b>Earnings per share for discontinued operations</b>			
Basic and Diluted		1.04	1.03
<b>Earnings per share for continuing and discontinued operations</b>			
Basic and Diluted		2.50	3.29
Summary of significant accounting policies	2		

This is the consolidated Statement of Profit and Loss referred to in our report of even date

The above consolidated Standalone statement of profit and loss should be read in conjunction with the accompanying notes

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board

per **PANKAJ CHADHA**  
Partner  
Membership No.: 091813

**V.C. SEHGAL**  
Chairman

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Place: Mumbai  
Date : May 26, 2022

Place: Mumbai  
Date : May 26, 2022

**KUNAL MALANI**  
Chief Financial Officer

**ALOK GOEL**  
Company Secretary

Place: Noida  
Date : May 26, 2022

Place: Mumbai  
Date : May 26, 2022

Place: Noida  
Date : May 26, 2022

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### A. Equity share capital

	Notes	Amount
As at April 01, 2020		3,158
Issue of equity share capital	15	-
<b>As at March 31, 2021</b>		<b>3,158</b>
Issue of equity share capital (net) in relation to merger pursuant to Composite Scheme (refer note 51)	15	1,360
<b>As at March 31, 2022</b>		<b>4,518</b>

### B. Other equity

	Notes	Reserves and Surplus						Items of OCI			Total attributable to Owners	Non Controlling interests	Total
		Capital reserve on consolidation	Securities premium	Capital reserve on acquisition of non-controlling interest	Reserve on amalgamation	General Reserve	Retained Earnings	FVOCI equity instrument	Foreign currency translation reserve	Cash flow hedging reserve			
<b>Balance as at April 01, 2020</b>		<b>1,920</b>	<b>26,303</b>	-	<b>1,663</b>	<b>3,430</b>	<b>70,642</b>	<b>(306)</b>	<b>8,053</b>	<b>(2,254)</b>	<b>109,451</b>	<b>35,650</b>	<b>145,101</b>
Profit for the year	16(a)	-	-	-	-	10,392	-	-	-	-	10,392	5,302	15,694
Other comprehensive income	16(a)&(b)	-	-	-	-	(52)	-	(218)	1,791	963	2,484	735	3,219
<b>Total comprehensive income for the year</b>		-	-	-	-	-	-	<b>(218)</b>	<b>1,791</b>	<b>963</b>	<b>12,876</b>	<b>6,037</b>	<b>18,913</b>
Dividend to non controlling interest	48 B	-	-	-	-	-	-	-	-	-	-	(1,607)	(1,607)
Additional contribution by Non controlling interest		-	-	-	-	-	-	-	-	-	-	37	37
Hyperinflation adjustment	47	-	-	-	-	-	126	-	-	-	126	122	248
Other addition / (deletion)		-	-	-	-	1	(6)	-	-	-	(5)	(6)	(11)
<b>Balance at March 31, 2021</b>		<b>1,920</b>	<b>26,303</b>	-	<b>1,663</b>	<b>3,431</b>	<b>81,102</b>	<b>(524)</b>	<b>9,844</b>	<b>(1,291)</b>	<b>122,448</b>	<b>40,233</b>	<b>162,681</b>
Profit for the year	16(a)	-	-	-	-	-	8,738	-	-	-	8,738	3,077	11,815
Other comprehensive income	16(a)&(b)	-	-	-	-	-	212	48	(531)	620	349	1,847	2,196
<b>Total comprehensive income for the year</b>		-	-	-	-	-	<b>8,950</b>	<b>48</b>	<b>(531)</b>	<b>620</b>	<b>9,087</b>	<b>4,924</b>	<b>14,011</b>

(All amounts in ₹ Million, unless otherwise stated)

	Notes	Reserves and Surplus						Items of OCI			Total attributable to Owners	Non Controlling interests	Total
		Capital reserve on consolidation	Securities premium	Capital reserve on acquisition of non-controlling interest	Reserve on amalgamation	General Reserve	Retained Earnings	FVOCI equity instrument	Foreign currency translation reserve	Cash flow hedging reserve			
Dividend paid	16 (a)	-	-	-	-	-	(4,737)	-	-	-	(4,737)	-	(4,737)
Transferred in relation to demerger pursuant to Composite Scheme	16 (a) & 51	-	-	-	-	-	(10,721)	-	-	-	(10,721)	-	(10,721)
Addition in relation to merger pursuant to Composite Scheme	16 (a), 50 & 51	3,612	240,467	-	-	-	-	-	-	-	244,079	5,245	249,324
Reversal of previously recognised non controlling interest pursuant to Composite Scheme	48A & 51	-	-	(159,300)	-	-	-	-	-	-	(159,300)	(29,435)	(188,735)
Recognition of put-call option liability	50	-	-	-	-	-	(331)	-	-	-	(331)	(273)	(604)
Dividend to non controlling interest	48 B	-	-	-	-	-	-	-	-	-	-	(1,733)	(1,733)
Hyperinflation adjustment	47	-	-	-	-	-	282	-	-	-	282	126	408
Other addition / (deletion)		-	-	-	-	1	1,869	-	(1,312)	-	558	(1,324)	(766)
<b>Balance at March 31, 2022</b>		<b>5,532</b>	<b>266,770</b>	<b>(159,300)</b>	<b>1,663</b>	<b>3,432</b>	<b>76,414</b>	<b>(476)</b>	<b>8,001</b>	<b>(671)</b>	<b>201,365</b>	<b>17,763</b>	<b>219,128</b>
Summary of significant accounting policies	2												

(All amounts in ₹ Million, unless otherwise stated)

This is the consolidated Statement of changes in equity referred to in our report of even date

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **PANKAJ CHADHA**  
Partner  
Membership No.: 091813

**V.C. SEHGAL**  
Chairman

Place: Mumbai  
Date : May 26, 2022

**KUNAL MALANI**  
Chief Financial Officer  
Place: Mumbai  
Date : May 26, 2022

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer  
Place: Mumbai  
Date : May 26, 2022

**ALOK GOEL**  
Company Secretary  
Place: Noida  
Date : May 26, 2022

The above consolidated Statement of changes in equity should be read in conjunction with the accompanying notes

For and on behalf of the Board

**CONSOLIDATED CASH FLOW STATEMENT**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities:</b>		
Profit before tax from continuing operation	14,242	11,733
Profit before tax from discontinued operation	4,846	4,396
<b>Adjustments for:</b>		
Share of (profit)/loss in associates and joint ventures accounted for using the equity method	(160)	(849)
Depreciation and amortisation expense	29,963	29,764
Finance cost	5,519	5,202
Interest income	(1,173)	(658)
Dividend income	(6)	(0)
Loss/ (gain) on disposal of property, plant & equipment	148	106
Gain on sale of Investments	(12)	(0)
Bad debts / advances written off	97	214
Provision for doubtful debts / advances	112	387
Liability no longer required written back	(360)	(347)
Unrealised foreign currency loss/(gain)	520	(267)
<b>Operating profit before working capital changes</b>	<b>53,736</b>	<b>49,681</b>
<b>Changes in working capital:</b>		
Increase/(decrease) in trade and other payables	5,518	19,184
Increase/(decrease) in other financial liabilities	338	2,725
(Increase)/decrease in trade receivables	(6,456)	(13,464)
(Increase)/decrease in inventories	(13,542)	(6,377)
(Increase)/decrease in other receivables	(648)	(2,653)
(Increase)/decrease in other financial assets	(5,995)	7,017
<b>Cash generated from operations</b>	<b>32,951</b>	<b>56,113</b>
Taxes (paid) / received	(8,324)	(5,600)
<b>Net cash generated from operating activities</b>	<b>24,627</b>	<b>50,513</b>
<b>B. Cash flow from Investing activities:</b>		
Payments for purchase of property, plant & equipment and other intangible assets (including capital work-in-progress and intangible assets under development)	(25,081)	(19,700)
Proceeds from sale of property, plant & equipment and other intangible assets	718	375
Proceeds from sale / (payment for purchase) of investments	135	(73)
Loan (to)/repaid by related parties (net)	498	(349)
Interest received	1,157	635
Dividend received	6	0
Dividend received from associates & joint venture entities	787	150
(Investment)/Proceeds from maturity of deposits with remaining maturity for more than 3 months	(258)	27
Consideration paid on acquisition of subsidiaries net of cash balance acquired (refer note 50 & 51)	(1,081)	-
<b>Net cash (used) in investing activities</b>	<b>(23,119)</b>	<b>(18,935)</b>

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>C. Cash flow from financing activities:</b>		
Proceeds from minority shareholders	-	37
Dividend paid	(4,724)	(5)
Dividend paid to minority share holders	(1,733)	(1,607)
Interest paid	(5,528)	(4,141)
Proceeds from long term borrowings	11,646	41,116
Proceeds from short term borrowings	41,284	26,828
Proceeds of loans from other related parties	-	4,396
Repayment of long term borrowings	(20,089)	(29,745)
Repayment of short term borrowings	(30,385)	(47,489)
Repayment of loans to other related parties	-	(6,431)
Payment of leased liability	(2,645)	(3,934)
<b>Net cash (used) in financing activities</b>	<b>(12,174)</b>	<b>(20,975)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(10,666)</b>	<b>10,603</b>
Net foreign exchange difference on balance with banks in foreign currency	75	75
Net Cash and Cash equivalents at the beginning of the year	59,366	48,688
<b>Cash and cash equivalents as at year end</b>	<b>48,775</b>	<b>59,366</b>
<b>Cash and cash equivalents comprise (refer note 13)</b>		
Cash and cash equivalent - discontinued operations (Refer note 51)	-	372
Cash on hand	17	15
Cheques / drafts on hand	129	41
Balance with Banks	48,629	58,938
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>48,775</b>	<b>59,366</b>
Summary of significant accounting policies (Note 2)		

**Notes:**

- The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in brackets indicate Cash Outflow.

This is the Consolidated Cash Flow Statement referred to in our report of even date

The above Consolidated Standalone cash flow statement should be read in conjunction with the accompanying notes

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board

per **PANKAJ CHADHA**  
Partner  
Membership No.: 091813

**V.C. SEHGAL**  
Chairman

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Place: Mumbai  
Date : May 26, 2022

Place: Mumbai  
Date : May 26, 2022

**KUNAL MALANI**  
Chief Financial Officer

**ALOK GOEL**  
Company Secretary

Place: Noida  
Date : May 26, 2022

Place: Mumbai  
Date : May 26, 2022

Place: Noida  
Date : May 26, 2022



**1. Corporate Information**

The consolidated financial statements comprise financial statements of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (SAMIL (formerly MSSL) or 'the Company') and its subsidiaries (hereinafter collectively referred to as 'the Group') for the year ended March 31, 2022. The Company was incorporated and domiciled in India on December 19, 1986 and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The address of its registered office is Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra. The Company is a public limited company and is listed in the Bombay Stock Exchange and National Stock Exchange. The Group comprises SAMIL (formerly MSSL) and it's directly and indirectly held 204 subsidiaries (including stepdown subsidiaries) and exercises joint control over 20 joint ventures and significant influence over 2 associates. The Group has manufacturing plants in India, Sri Lanka, Thailand, United Arab Emirates (UAE), Australia, United Kingdom (UK), Germany, Hungary, Portugal, Spain, France, Slovakia, China, South Korea, USA, Brazil, Mexico, Czech Republic, South Africa, Serbia, Lithuania, Poland, Russia, Morocco, Philippines, Argentina and Croatia. The Consolidated financial statements were authorised for issue in accordance with a resolution of the Board of directors on May 26, 2022.

**2.1 Significant accounting policies****a) Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statement.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments, Refer Note 37
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and distribution liability, Refer Note 36
- Defined benefit pension plans – plan assets measured at fair value. Refer Note 21

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The consolidated financial statements are presented in INR and all values are rounded to the nearest millions (₹ 000,000), except when otherwise indicated.

**b) Principles of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the

Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like item of assets, liabilities, equity, income expense and cashflows. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Business combinations policy explains how to account for any related goodwill.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**c) Investment in associates and joint ventures**

Associates are all entities over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The financial statements of the associates are prepared for the same reporting period as the Group to enable the parent to consolidate the financial information of the associates. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The group applies Ind AS 111 to all joint arrangements. Under Ind AS 111 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries

Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside operating profit.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

#### d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of SAMIL (formerly MSSSL).

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker "CODM". The CODM is responsible for allocating resources and assessing performance of the operating segments. The Group has monthly review and forecasting procedure in place. (refer note 41)

#### f) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### g) Foreign currencies

##### i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

##### ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Foreign exchange differences on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in foreign currencies are translated into functional currency using the exchange rates at the date when the fair value was determined. Translation

differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments (other than investment in subsidiaries, joint ventures and associates) held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries, joint ventures and associates) classified as FVOCI are recognised in other comprehensive income.

### iii. Group companies

The results and financial position of foreign operations (except one of the subsidiary in Argentina which has currency of hyperinflation (refer policy described in note aa below), none of the Group's subsidiary, joint venture and associates has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.
- On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. All resulting exchange differences are recognised in other comprehensive income.

### h) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

#### Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration

is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

#### Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### Revenue from assembly of components

The Group has contracts with customers to assemble, on their behalf, customised components from various parts procured from suppliers identified by the customer. The Group is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

#### Revenue from development of tools and sale of service

The Group develops customised tooling for its customers and recognises its revenue over time using an input method to measure progress towards complete satisfaction of the tool development.

The Group recognises revenue from development of tools over time if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

Where the Group cannot reasonably measure the outcome of a performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Revenue on time-and-material and unit of work-based contracts, are recognized as the related services are performed. Fixed-price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage-of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method.

The revenue from the last invoicing to the report date is recognised as unbilled revenue. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input



and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

In arrangements for bundled contracts, the Group has applied the revenue recognition criteria for each distinct performance obligation. The arrangements with the customers generally meet the criteria for considering goods and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of the contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where it is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price.

#### Costs to obtain a contract

Such costs are recognised as an asset if there are future economic benefits associated with such costs. These are amortised systematically to match the benefits and such amortisation is netted off with revenue. Such assets are presented as Deferred Revenue Expenditure in Note 45 and classified as current and non-current based on the expected amortisation period. In cases where future economic benefits cannot be determined such costs are expensed off as incurred and are netted off with the revenues.

#### Judgments applied in determining amount and timing of revenue

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

##### (i) Determining the timing of satisfaction of tooling development

The Group concluded that revenue for development of tooling is to be recognised over time because the Group's performance does not create asset with an alternative use to the Group since the tools are customised for each customer and the Group has a legally enforceable right to payment for fair value of performance completed to date.

The Group determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Group's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Group recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

##### (ii) Principal versus agent considerations

The Group enters into contracts with its customers to assemble, on their behalf, customised components using various parts procured from suppliers identified by the customer. Under these contracts, the Group provides assembly services (i.e., coordinating the procurement of various parts from the identified suppliers and combining or assembling them into components as desired by the customer). The Group determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the component or obtain benefits from the component. The following factors indicate that the Group does not control the goods before they are being transferred to customers. Therefore, the Group determined that it is an agent in these contracts.

- The Group is not primarily responsible for fulfilling the promise to provide the specified equipment.
- The Group does not have inventory risk before or after the specified component has been transferred to the customer as it purchases various parts on just-in-time basis and only upon contract of the customer.

- The Group has no discretion in establishing the price for the specified component. The Group's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the cost of various parts purchased from the suppliers.
- In addition, the Group concluded that it transfers control over its services (i.e., assembling the component from various parts), at a point in time, upon receipt by the customer of the component, because this is when the customer benefits from the Group's agency service.

##### (iii) Consideration of significant financing component in a contract

The Group develops customised tooling and secondary equipment's for which the manufacturing lead time after signing the contract is usually more than one year. This type of contract includes two payment options for the customer, i.e., payment of the transaction price equal to the cash selling price upon delivery of the tooling or payment of the transaction price as part of the component's selling price. The Group concluded that there is a significant financing component for those contracts where the customer elects to pay along with the component's selling price considering the length of time between the transfer of tooling and secondary equipment and the recovery of transaction price from the customer, as well as the prevailing interest rates in the market.

In determining the interest to be applied to the amount of consideration, the Group concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

#### Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 8.

#### Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Group's contract assets are disclosed in Note 45 as Unbilled Receivables.

#### Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract Liabilities are disclosed in Note 45 as Advances received from customers.

**Impairment**

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

**i) Other income****Interest**

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Rental Income**

Rental income arising from investment properties given on leases is accounted for on a straight-line basis over the lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the statement of profit and loss.

**Dividend**

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

**Duty drawback and export incentives**

Income from duty drawback and export incentives is recognized on an accrual basis.

**Royalty income**

Royalty income is recognized in Other operating income on an accrual basis in accordance with the substance of the relevant agreements.

**j) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets and presented within other income.

When government grants relating to loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**k) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are not recognised:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences ("outside-basis differences") can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

**l) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration is considered as lease.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**As a Lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

**m) Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the

amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured at fair value at each reporting date with changes in fair value recognised in statement of profit and loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash



generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

#### n) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually as on March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

#### o) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### p) Inventories

Raw materials, stores and spares, work in progress, stock in trade and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (h) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debt instruments at amortised cost

This category is the most relevant to the Group. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

#### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates

a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. The Group elected to classify irrevocably its non-listed equity investments under this category.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

#### Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 116
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The Group has entered into arrangements with certain banks wherein those banks are appointed as paying agent with regard to payments due to participating suppliers in order to facilitate efficient payment processing and other flexibility to such suppliers, including to manage their cash flow by electing early payment for their invoices. Under the arrangement, if opted for by the supplier, the bank may pay amounts earlier than the due date in respect of invoices owed by the Group and receives settlement from the Group on due date of those invoices.

The Group does not incur any additional interest towards the bank on the amounts due or paid to the suppliers. The Group discloses the amounts owed under such invoices within trade payables because the nature and function of the financial liability remain the same as those of other trade payables.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

#### Gains or losses on liabilities held for trading are recognised in the profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

#### Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



**Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group’s senior management determines change in the business model as a result of external or internal changes which are significant to the Group’s operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of The Group or the counterparty.

**r) Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group’s accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, 36 and 37)
- Quantitative disclosures of fair value measurement hierarchy (note 36)
- Investment properties (note 4)
- Financial instruments (including those carried at amortised cost) (note 6, 7, 8, 9, 13, 17, 18, 19, 36 and 37)

#### s) Derivative financial instruments and hedge accounting

##### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

##### i. Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

The Group has an interest rate swap that is used as a hedge for the exposure of changes in the fair value. See Note 37 for more details.

##### ii. Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

##### iii. Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

#### t) Property, plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

**Depreciation methods and useful lives**

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Indian entities*	Overseas entities
	Useful lives(years)	Useful lives(years)
Leasehold improvements	Over the period of lease or useful life, whichever is lower	
Buildings	30 years	5 to 61 years
Plant & Machinery:		
Plant & Machinery	7.5 years	3 to 15 years
Die & Moulds	6.17 years	3 to 15 years
Electric Installation	10 years	3 to 15 years
Furniture & fixtures	6 years	3 to 15 years
Office equipment	5 years	3 to 10 years
Computers:		
Server & Networks	3 years	3 to 15 years
End user devices, such as desktops, laptops, etc.	3 years	3 to 15 years
Vehicles	4 years	3 to 12 years
Aircraft	-	8 Years

\*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**u) Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 30 years.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in notes 4.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

**v) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill has indefinite useful life. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments

**Business, commercial and other rights**

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**Customer relationships**

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**Software**

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Separately acquired software are shown at transaction cost, software acquired in a business combination are recognised at fair value at the acquisition date. They are subsequently carried at cost less accumulated amortisation.

**Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset



- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Currently, research costs incurred by the Group do not meet the recognition criteria and accordingly such research costs are expensed of in the statement of profit and loss as and when these are incurred.

Amortisation methods and periods:

Asset	Useful lives (years)
Technical Knowhow fees	3 to 13 years
Business & Commercial rights	3 to 11 years
Intellectual property rights	1 to 3 years
Software	2 to 5 years
Customer relationships	3 to 15 years

The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually.

**w) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**x) Provisions and contingent liabilities**

**Provisions**

Provisions for legal claims, product warranties and other obligations are recognised when the Group has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Provision for onerous contracts**

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group at the end of every reporting period conducts the onerous contract test per the provisions of Ind AS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract increase the related revenue of the contract, the Group makes a provision for the difference.

**Warranty provisions**

In cases where the obligations include warranty liabilities, the Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**Restructuring provisions**

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when: (i) a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

**Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

**y) Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**In respect of the companies incorporated in India**

**Provident Fund & Employee State Insurance**

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

**Superannuation fund**

The Group has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The Group contributes up to 12% of the eligible employees' salary or ₹ 100,000 / 150,000, whichever is lower, every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligations beyond this contribution.

**Gratuity**

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the

respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the period in which they arise. They are included in retained earnings through OCI in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

#### Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit and loss.

#### In respect of the companies incorporated outside India

##### Pension provisions

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

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

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

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

The value of a net pension benefit asset is restricted to the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions after considering any legal or contractual minimum funding requirements. The minimum funding requirements stipulate a minimum amount or level of contributions that must be made to a plan over a given period and may limit the ability of the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Other Long term benefits

**Jubilee Bonus:** In certain Group entities, the employees are entitled to bonus after completion of certain year of services which are based on the wage agreement or otherwise as per terms of employment. The Group recognizes as an expenditure the present value of such long term jubilee bonuses, where applicable based on the expected amounts to pay by considering expectancies of employee turnover and expected future salary increase.

#### Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### Other long-term employee benefit obligations

In some countries, the group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

#### z) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### aa) Earnings per share

##### i. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are

treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

## ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## ab) Assets held for distribution to owners and discontinued operations

The Group classifies assets and disposal groups as held for distribution if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribution will be withdrawn. Management must be committed to the distribution expected within one year from the date of classification.

The criteria for held for distribution classification is regarded met only when the assets or disposal group is available for immediate distribution in its present condition, subject only to terms that are usual and customary for distribution of such assets (or disposal groups), its distribution is highly probable; and it will genuinely be distributed, not abandoned. The Group treats distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to distribute the asset (or disposal group),
- The distribution is expected to qualify for recognition as a completed distribution within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to distribute. Assets and liabilities classified as held distribution are presented separately in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Additional disclosures are provided in Note 51. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

## ac) Hyperinflation

The financial statements (including comparative amounts, if applicable) of the group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

## ad) New and amended standards and interpretations

The Group applied for the first time certain standards or amendments which are effective for annual periods beginning on or after April 1, 2021.

### Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

### Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

### Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Group.



**Ind AS 103: Business combination**

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

**Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

**2.2 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

**(i) Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

**(ii) Revenue from contracts with customers**

The Group applies the judgements in respect to transactions relating to tooling development, Principal versus agent consideration that significant financing component in a contract that significantly affect the determination of the amount and timing of revenue from contracts with customers. For more details, refer note 2.1 (h)

**(iii) Discontinued operations**

The Board of Directors in its meeting dated July 02, 2020, approved a group reorganization plan with the objective of creating value for the shareholders of the Company. The reorganization plan approved by the respective Boards of the Company and erstwhile Samvardhana Motherson International Limited ("erstwhile SAMIL") among other things, entails demerger of Domestic Wiring Harness ("DWH") business in India from the Company into a new company Motherson Sumi Wiring India Limited ("MSWIL"). The operations of DWH business were considered as discontinued operation and classified as held for distribution to owners. The Board considered the Company to meet the criteria to be classified as held for distribution at that date for the following reasons:

- The operations of DWH business were available for immediate distribution and can be sold in its current condition.
- The actions to complete the distribution were initiated and were expected to be completed within one year.
- In the current year, the Scheme has been approved by Hon'ble NCLT vide its order dated December 22, 2021

For more details, refer to Note 51

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**(i) Useful life of property, plant and equipment, intangible and investment properties**

The Group uses its technical expertise along with historical and industry trends for determining the economic useful life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised amount is charged over the remaining useful life of the assets.

**(ii) Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 21.

**(iii) Fair valuation of unlisted securities**

When the fair value of unlisted securities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 36 of the financials.

**(iv) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Valuation of recoverable income tax assets especially with respect to deferred tax assets on tax loss carry forwards. The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made

**(v) Percentage completion of recognition of revenue**

The Group uses the percentage-of-completion method in accounting for ‘development of tools’ contracts and the contract revenues and contract costs of engineering contracts. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

**(vi) Business combinations and intangible assets**

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. Refer note 50 & 51.

**(vii) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 5.

**(viii) Provisions and liabilities**

The Group estimates the provisions and liabilities and to the probability of expenses arising from warranty claims and claims from legal disputes that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

**3. (a) Property, plant and equipment**

Particulars	Own Assets								Total	
	Freehold Land	Leasehold Improve-ments	Buildings	Plant & Machinery	Furniture & fixtures	Office equip-ments	Computers	Vehicles		Aircraft
<b>Year ended March 31, 2021</b>										
<b>Gross carrying amount</b>										
As at April 01, 2020	7,087	1,130	60,549	139,531	9,457	3,261	3,384	454	1,322	226,175
Additions	137	116	3,250	12,916	930	300	468	111	-	18,228
Disposals	-	(15)	(135)	(2,368)	(70)	(39)	(16)	(40)	-	(2,683)
Exchange differences	162	57	843	1,118	32	101	19	49	38	2,419
Transferred to discontinued operations (refer note 51)	-	-	-	(3,505)	(27)	(79)	(250)	(11)	-	(3,872)
Other adjustment / transfers <sup>3</sup>	-	-	126	141	-	12	-	-	-	279
<b>Closing gross carrying amount</b>	<b>7,386</b>	<b>1,288</b>	<b>64,633</b>	<b>147,833</b>	<b>10,322</b>	<b>3,556</b>	<b>3,605</b>	<b>563</b>	<b>1,360</b>	<b>240,546</b>
<b>Accumulated depreciation and impairment</b>										
<b>As at April 01, 2020</b>	-	669	9,382	60,453	4,226	1,443	2,458	248	158	79,037
Depreciation charge during the year <sup>1&amp;2</sup>	-	191	2,310	16,259	1,447	576	553	80	141	21,557
Disposals	-	(5)	(33)	(2,059)	(65)	(27)	(24)	(31)	-	(2,244)
Exchange differences	-	39	296	279	32	62	12	44	3	767
Transferred to discontinued operations (refer note 51)	-	-	-	(2,025)	(20)	(54)	(206)	(8)	-	(2,313)
Other adjustment / transfers <sup>3</sup>	-	0	235	(231)	-	(0)	-	-	-	4
<b>Closing accumulated depreciation and impairment</b>	<b>-</b>	<b>894</b>	<b>12,190</b>	<b>72,676</b>	<b>5,620</b>	<b>2,000</b>	<b>2,793</b>	<b>333</b>	<b>302</b>	<b>96,808</b>
<b>Net carrying amount</b>	<b>7,386</b>	<b>394</b>	<b>52,443</b>	<b>75,157</b>	<b>4,702</b>	<b>1,556</b>	<b>812</b>	<b>230</b>	<b>1,058</b>	<b>143,738</b>
<b>Year ended March 31, 2022</b>										
<b>Gross carrying amount</b>										
As at April 01, 2021	7,386	1,288	64,633	147,833	10,322	3,556	3,605	563	1,360	240,546
Additions	181	236	2,480	6,407	856	154	396	118	123	10,951
Additions on account of business combination <sup>4</sup>	436	180	2,422	6,131	109	150	405	181	-	10,014
Disposals	(31)	(18)	(186)	(1,749)	(314)	(73)	(90)	(41)	(41)	(2,543)
Exchange differences	(96)	55	271	1,757	177	11	23	57	(32)	2,223
Other adjustment / transfers <sup>3&amp;5</sup>	(70)	114	(2,354)	5,946	349	50	309	-	-	4,344
<b>Closing gross carrying amount</b>	<b>7,806</b>	<b>1,855</b>	<b>67,266</b>	<b>166,325</b>	<b>11,499</b>	<b>3,848</b>	<b>4,648</b>	<b>878</b>	<b>1,410</b>	<b>265,535</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Own Assets							Total		
	Freehold Land	Leasehold Improve-ments	Buildings	Plant & Machinery	Furniture & fixtures	Office equip-ments	Computers		Vehicles	Aircraft
<b>Accumulated depreciation and impairment</b>										
<b>As at April 01, 2021</b>	-	894	12,190	72,676	5,620	2,000	2,793	333	302	<b>96,808</b>
Depreciation charge during the year <sup>1&amp;2</sup>	-	164	2,505	16,179	1,389	531	486	94	66	<b>21,414</b>
Additions on account of business combination <sup>4</sup>	-	73	214	2,466	62	91	262	33	-	<b>3,201</b>
Disposals	-	-	(82)	(1,365)	(305)	(70)	(88)	(38)	-	<b>(1,948)</b>
Exchange differences	-	42	114	1,259	129	(5)	78	12	(9)	<b>1,620</b>
Other adjustment / transfers <sup>3</sup>	-	2	(939)	126	-	-	-	-	-	<b>(811)</b>
<b>Closing accumulated depreciation and impairment</b>	-	<b>1,175</b>	<b>14,002</b>	<b>91,340</b>	<b>6,895</b>	<b>2,546</b>	<b>3,532</b>	<b>434</b>	<b>360</b>	<b>120,284</b>
<b>Net carrying amount</b>	<b>7,806</b>	<b>680</b>	<b>53,263</b>	<b>74,985</b>	<b>4,605</b>	<b>1,302</b>	<b>1,117</b>	<b>444</b>	<b>1,050</b>	<b>145,252</b>

(i) Property, plant and equipment pledged as security: Refer note 44 for information on property plant and equipment pledged as security by the group.

(ii) Contractual obligations: Refer note 42 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

<sup>1</sup> Includes depreciation of ₹ 18 million (March 31, 2021: ₹ 17 million) capitalised during the year on assets used for creation of self generated assets.

<sup>2</sup> The Group has reversed impairment loss amounting to ₹ 164 million (March 31, 2021: Nil).

<sup>3</sup> Includes impact of Hyperinflationary adjustment in gross block amounting to ₹ 507 million (March 31, 2021: ₹ 290 million) and accumulated depreciation amounting to ₹ 134 million (March 31, 2021: ₹ 2 million) in respect of one of the step down subsidiary in Argentina. Refer Note 47.

<sup>4</sup> Refer note 50 & 51 for additions on account of business combination & Composite Scheme

<sup>5</sup> As at Balance sheet date, certain land and buildings (included under property, plant and equipment) were given on sublease arrangements to the Motherson Sumi Wiring India Limited ('MSWIL') consequent to the approval of Composite Scheme, to which the Company is original owner is now being classified as investment properties. (refer note 4)

The Company is in process of obtaining necessary approvals from respective government authorities for executing these sublease arrangements for land.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**3. (b) Right-to-use assets**

Particulars	Land	Buildings	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
<b>Year ended March 31, 2021</b>								
<b>Gross carrying amount</b>								
<b>As at April 01, 2020</b>	<b>2,777</b>	<b>12,689</b>	<b>904</b>	<b>1,095</b>	<b>316</b>	<b>88</b>	<b>1,596</b>	<b>19,465</b>
Additions	275	2,496	80	(3)	43	98	473	<b>3,462</b>
Reclassification	-	(25)	220	-	-	(30)	-	<b>165</b>
Deletion	(2)	(877)	(342)	(345)	(100)	-	(395)	<b>(2,061)</b>
Transferred to discontinued operations (refer note 51)	-	-	-	-	-	-	(278)	<b>(278)</b>
Exchange differences	44	264	55	25	9	(0)	25	<b>422</b>
<b>Closing gross carrying amount</b>	<b>3,094</b>	<b>14,547</b>	<b>917</b>	<b>772</b>	<b>268</b>	<b>156</b>	<b>1,421</b>	<b>21,175</b>
<b>Accumulated depreciation and impairment</b>								
<b>As at April 01, 2020</b>	265	2,305	236	314	102	35	612	<b>3,869</b>
Depreciation charge during the year	63	2,877	414	219	109	47	617	<b>4,346</b>
Reclassification	-	24	79	(58)	2	(22)	-	<b>25</b>
Deletion	(1)	(615)	(222)	(159)	(59)	-	(344)	<b>(1,400)</b>
Transferred to discontinued operations (refer note 51)	-	-	-	-	-	-	(140)	<b>(140)</b>
Exchange differences	14	81	31	7	2	(5)	(38)	<b>92</b>
<b>Closing accumulated depreciation and impairment</b>	<b>341</b>	<b>4,672</b>	<b>538</b>	<b>323</b>	<b>156</b>	<b>55</b>	<b>707</b>	<b>6,792</b>
<b>Net carrying amount</b>	<b>2,753</b>	<b>9,875</b>	<b>379</b>	<b>449</b>	<b>112</b>	<b>101</b>	<b>714</b>	<b>14,383</b>
<b>Year ended March 31, 2022</b>								
<b>Gross carrying amount</b>								
<b>As at April 01, 2021</b>	<b>3,094</b>	<b>14,547</b>	<b>917</b>	<b>772</b>	<b>268</b>	<b>156</b>	<b>1,421</b>	<b>21,175</b>
Additions	28	2,679	153	65	51	9	834	<b>3,819</b>
Additions on account of business combination <sup>1</sup>	1,998	1,293	238	-	-	-	255	<b>3,784</b>
Deletion	(285)	(848)	(172)	(59)	(110)	(11)	(381)	<b>(1,866)</b>
Exchange differences	19	(200)	(66)	4	(1)	(9)	(97)	<b>(350)</b>
Reclassification <sup>2</sup>	438	(1,033)	-	-	4	(4)	-	<b>(595)</b>
<b>Closing gross carrying amount</b>	<b>5,292</b>	<b>16,438</b>	<b>1,070</b>	<b>782</b>	<b>212</b>	<b>141</b>	<b>2,032</b>	<b>25,967</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Land	Buildings	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
<b>Accumulated depreciation and impairment</b>								
<b>As at April 01, 2021</b>	<b>341</b>	<b>4,672</b>	<b>538</b>	<b>323</b>	<b>156</b>	<b>55</b>	<b>707</b>	<b>6,792</b>
Depreciation charge during the year	200	2,764	287	223	79	38	522	<b>4,113</b>
Additions on account of business combination <sup>1</sup>	62	416	83	-	-	-	110	<b>671</b>
Deletion	(20)	(699)	(167)	(59)	(102)	(15)	(376)	<b>(1,438)</b>
Exchange differences	(6)	48	(26)	2	(5)	(8)	(110)	<b>(105)</b>
Reclassification	212	(308)	-	-	-	-	-	<b>(96)</b>
<b>Closing accumulated depreciation and impairment</b>	<b>789</b>	<b>6,893</b>	<b>715</b>	<b>489</b>	<b>128</b>	<b>70</b>	<b>853</b>	<b>9,937</b>
<b>Net carrying amount</b>	<b>4,503</b>	<b>9,545</b>	<b>355</b>	<b>293</b>	<b>84</b>	<b>71</b>	<b>1,179</b>	<b>16,031</b>

<sup>1</sup> Refer note 50 & 51 for additions on account of business combination & Composite Scheme

<sup>2</sup>As at Balance sheet date, certain land (included under Right-of-use-assets) were given on sublease arrangements to the Motherson Sumi Wiring India Limited ('MSWIL') consequent to the approval of Composite Scheme, to which the Company is original lessee now being classified as investment properties. (refer note 4)

The Company is in process of obtaining necessary approvals from respective government authorities for executing these sublease arrangements for land.

**3. (c) Capital work-in-progress and intangible assets under development**

	Capital work-in-progress	Intangible assets under development
<b>Year ended March 31, 2021</b>		
As at April 01, 2020	8,154	364
Addition during the year	10,206	333
Reclassification	(10,145)	(309)
Transfer to discontinued operations (refer note 51)	(1)	-
Exchange differences	169	(2)
<b>Closing balance as at March 31, 2021</b>	<b>8,383</b>	<b>386</b>
<b>Year ended March 31, 2022</b>		
<b>As at April 01, 2021</b>	<b>8,383</b>	<b>386</b>
Addition during the year	12,087	415
Reclassification	(8,751)	(352)
Exchange differences	224	107
Additions in relation to merger pursuant to Composite Scheme (refer note 51)	545	53
<b>Closing balance as at March 31, 2022</b>	<b>12,488</b>	<b>609</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**Capital work in progress (CWIP) ageing schedule**

	As at March 31, 2022	As at March 31, 2021
<b>Amount in CWIP for a period of:</b>		
Less than 1 year	9,466	7,548
1-2 years	2,873	702
2-3 years	71	96
More than 3 years	78	37
<b>Total</b>	<b>12,488</b>	<b>8,383</b>

**Intangible assets under development ageing schedule**

	As at March 31, 2022	As at March 31, 2021
<b>Amount in under development for a period of:</b>		
Less than 1 year	462	273
1-2 years	117	102
2-3 years	17	11
More than 3 years	13	-
<b>Total</b>	<b>609</b>	<b>386</b>

During the financial year ended March 31, 2022 there is no capital work in progress and Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

**4. Investment properties**

	As at March 31, 2022	As at March 31, 2021
<b>Opening gross carrying amount</b>	<b>1,682</b>	<b>1,552</b>
Add: Transfers / Additions during the year	6	113
Less: Deletions during the year	(238)	-
Add: Reclassification (refer note 3(a) and 3(b))	4,874	-
Additions in relation to merger pursuant to Composite Scheme (refer note 51)	212	-
Add / (Less): Exchange differences	(6)	17
<b>Gross Block</b>	<b>6,530</b>	<b>1,682</b>
<b>Accumulated depreciation:</b>		
<b>Opening balance</b>	<b>401</b>	<b>355</b>
Add: Depreciation for the year	199	42
Add: Reclassification (refer note 3(a) and 3(b))	779	-
Deletion during the year	(93)	-
Additions in relation to merger pursuant to Composite Scheme (refer note 51)	4	-
Add / (Less): Exchange differences	(1)	4
<b>Closing accumulated depreciation</b>	<b>1,289</b>	<b>401</b>
<b>Net Investment Properties</b>	<b>5,241</b>	<b>1,281</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**(i) Amounts recognised in profit or loss for the investment properties**

	As at March 31, 2022	As at March 31, 2021
Rental Income	624	110
Direct operating expenses arising from property that generated rental income	(27)	(26)
Direct operating expenses arising from property that did not generate rental income	(5)	(14)
<b>Profit from investment properties before depreciation</b>	<b>592</b>	<b>70</b>
Depreciation	199	42
<b>Gain / (loss) from investment properties</b>	<b>393</b>	<b>28</b>

**(ii) Leasing arrangements**

Certain investment properties are leased out under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	As at March 31, 2022	As at March 31, 2021
Within one year	624	43
Later than one year but not later than 5 years	2,806	137
Later than 5 years	3,335	-
	<b>6,765</b>	<b>180</b>

**(iii) Fair value**

	March 31, 2022	March 31, 2021
Investment properties	9,682	3,060

**Estimation of fair value**

The fair valuation is based on prevailing market prices/ price trend of the property in that locality/ city considering the location, size of plot, approach road, amenities, locality etc. in respect of investment properties located in India, fair values have been determined by registered valuers as defined under Rule 2 of Companies (Registered valuers and Valuation) Rules, 2017.

**5. Intangible assets**

Particulars	Technical Knowhow Fees	Customer Relationships and Contracts	Business and commercial rights	Intellectual Property Rights	Software	Total intangible assets other than goodwill	Goodwill <sup>2</sup>
<b>Year ended March 31, 2021</b>							
<b>Gross carrying amount</b>							
<b>As at April 01, 2020</b>	<b>328</b>	<b>28,937</b>	<b>884</b>	<b>98</b>	<b>5,281</b>	<b>35,528</b>	<b>24,063</b>
Additions	-	10	-	-	761	771	-
Additions on account of business combination <sup>1</sup>	-	-	-	-	-	-	-
Disposals	-	-	-	-	(35)	(35)	-
Exchange Difference	4	543	12	6	69	634	658
Other adjustment	(202)	(86)	-	-	202	(86)	-
<b>Closing gross carrying amount</b>	<b>130</b>	<b>29,404</b>	<b>896</b>	<b>104</b>	<b>6,278</b>	<b>36,812</b>	<b>24,721</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Technical Knowhow Fees	Customer Relationships and Contracts	Business and commercial rights	Intellectual Property Rights	Software	Total intangible assets other than goodwill	Goodwill <sup>2</sup>
<b>Accumulated amortisation and impairment</b>							
<b>As at April 01, 2020</b>	<b>142</b>	<b>11,891</b>	<b>456</b>	<b>54</b>	<b>3,475</b>	<b>16,018</b>	<b>3</b>
Amortisation charge during the year	18	2,909	88	1	819	3,835	-
Disposals	-	-	-	-	(36)	(36)	-
Exchange differences	2	72	3	3	63	143	-
Other adjustment	(80)	(28)	9	-	80	(19)	-
<b>Closing accumulated amortisation and impairment</b>	<b>82</b>	<b>14,844</b>	<b>556</b>	<b>58</b>	<b>4,401</b>	<b>19,941</b>	<b>3</b>
<b>Net carrying amount</b>	<b>48</b>	<b>14,560</b>	<b>340</b>	<b>46</b>	<b>1,877</b>	<b>16,871</b>	<b>24,718</b>
<b>Year ended March 31, 2022</b>							
<b>Gross carrying amount</b>							
<b>As at April 01, 2021</b>	<b>130</b>	<b>29,404</b>	<b>896</b>	<b>104</b>	<b>6,278</b>	<b>36,812</b>	<b>24,721</b>
Additions	3	-	-	-	205	208	-
Additions on account of business combination <sup>1</sup>	68	1,192	-	-	271	1,531	9,160
Disposals	-	-	-	(2)	(107)	(109)	-
Exchange difference	(4)	(1,514)	(22)	(3)	28	(1,515)	(135)
Other adjustment	-	(0)	-	-	275	275	-
<b>Closing gross carrying amount</b>	<b>197</b>	<b>29,082</b>	<b>874</b>	<b>99</b>	<b>6,950</b>	<b>37,202</b>	<b>33,746</b>
<b>Accumulated amortisation and impairment</b>							
<b>As at April 01, 2021</b>	<b>82</b>	<b>14,844</b>	<b>556</b>	<b>58</b>	<b>4,401</b>	<b>19,941</b>	<b>3</b>
Amortisation charge during the year	18	2,944	87	1	824	3,874	-
Additions on account of business combination <sup>1</sup>	66	-	-	-	218	284	-
Disposals	-	-	-	-	(103)	(103)	-
Exchange differences	(3)	(612)	(18)	(2)	(6)	(641)	-
Other adjustment	-	-	-	-	2	2	(0)
<b>Closing accumulated amortisation and impairment</b>	<b>163</b>	<b>17,176</b>	<b>625</b>	<b>57</b>	<b>5,336</b>	<b>23,357</b>	<b>3</b>
<b>Net carrying amount</b>	<b>34</b>	<b>11,906</b>	<b>249</b>	<b>42</b>	<b>1,614</b>	<b>13,845</b>	<b>33,743</b>

<sup>1</sup>Refer note 50 & 51 for additions on account of business combination & Composite Scheme

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

<sup>2</sup>Goodwill consist of the following

A segment-level summary of the goodwill is presented below. Refer note 41 for 'segment reporting'.

	March 31, 2022	March 31, 2021
SMR	874	594
SMP	3,383	3,458
PKC	20,822	20,512
Others	8,664	154
<b>Total</b>	<b>33,743</b>	<b>24,718</b>

The Group tests goodwill for impairment on an annual basis. The goodwill has been evaluated based on the cashflow forecasts of the related cash generating units (CGUs) and the recoverable amounts of these CGUs exceeded their carrying amounts. The estimated value in use of cash generating units (CGU) is based on the future cash flows using annual growth rate of upto 15% for periods subsequent to the forecast period of 5-10 years and weighted average cost of capital between 8% to 20%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount for any segment. The discount rate was estimated based on past experience and company's average weighted average cost of capital. The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external factors

### 6. (a) Non-Current Investments

	As at March 31, 2022	As at March 31, 2021
<b>Investment in equity instruments</b>		
<b>Equity instruments at FVOCI</b>		
<b>Quoted:</b>		
Ssangyong Motor Corporation	-	-
18,040 (March 31, 2021 : 18,040 ) equity shares of EUR 3.394 each fully paid up		
<b>Quanergy Systems Inc.</b>	93	-
171,528 (March 31, 2021: 171,528) Series B Preferred Stock (net of impairment provision)		
<b>Unquoted:</b>		
<b>Motherson Sumi Infotech &amp; Designs Limited (refer note 51)</b>	-	185
Nil (March 31, 2021: 1,200,000) equity shares of ₹ 10 each fully paid up		
<b>Echanda Urja Private Limited</b>	1	1
120,645 (March 31, 2021: 120,645 ) equity shares of ₹ 10 each fully paid-up		
<b>Systematic Conscom Limited (refer note 51)</b>		
2,500 (March 31, 2021: Nil ) equity shares of ₹ 10 each fully paid-up	1	-
4,000 (March 31, 2021: Nil ) equity shares of ₹ 10 each fully paid-up	0	-
<b>N H 2 Limited</b>	-	-
7,918,702 (March 31, 2021: 7,918,702) units of GBP 0.1 each (net of impairment provision)		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>Purpurin Grundstücksverwaltungsgesellschaft GmbH &amp; Co. Vermietungs KG</b>	0	0
94 (March 31, 2021: 94) equity shares of EUR 51.129 each fully paid up		
<b>OSSIA Inc.</b>	979	1,002
714,976 (March 31, 2021: 714,976) Series D Preferred Stock		
<b>Faraday Future Intelligent Electric Inc.</b>	10	-
27,734 (March 31, 2021: Nil) shares of AUD 13.612 each		
<b>Biometry Inc.</b>	35	-
1 (March 31, 2021: Nil) convertible note of EUR 422,791 each		
<b>Investment in preference shares at FVOCI</b>		
<b>Unquoted:</b>		
<b>Comunidad de Vertidos, "Les Carrases"</b>	5	5
9.98% preference share of EUR 61,334 (March 31, 2021 : EUR 61,334) fully paid up		
<b>Saavn Global Holdings Ltd. (refer note 51)</b>		
1,674,872 Series A preference shares of USD 0.60/- per share	194	-
9,71,251 Series B-3 preference shares of USD 1.03/- per share	112	-
9,94,035 Series C preference shares of USD 2.01/- per share	115	-
<b>League Apps Inc. (refer note 51)</b>		
2,314,815 Series A-1 preference shares of USD 0.40/- per share	162	-
2,48,026 Series A-2 preference shares of USD 0.40/- per share	17	-
<b>Gwynnie Bee Inc. (refer note 51)</b>	18	-
59,382 Series A-8 preference shares of USD 0.001/- per share		
<b>OPG Power Generation Private Limited (refer note 51)</b>	0	-
27,425 equity share of ₹ 10 each		
<b>Motherson Automotive Giken Industries Corp. Limited</b>	6	-
200 shares of JPY 50,000/- each		
<b>Aria Inc</b>	71	72
277,038 (March 31, 2021: 277,038) Series Seed-1 preferred stock		
<b>Investment in bonds and promissory notes at FVOCI</b>		
<b>Unquoted:</b>		
<b>Naya Health</b>	-	-
1% Convertible Promissory Note		
<b>OSSIA Inc.</b>	19	18
1 Convertible Promissory Note of USD 250,000		
<b>iTutor.com Inc. (refer note 51)</b>		
2,753,424 Convertible Promissory Note of USD 0.36 each	101	-
4,03,257 Series Seed Preference shares of USD 5/- per share	15	-



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(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>Others at FVOCI</b>		
Investment in antique arts (unquoted)	4	4
<b>Total non current investments</b>	<b>1,958</b>	<b>1,287</b>
Aggregate amount of quoted investments and market value thereof	93	-
Aggregate amount of unquoted investments	1,865	1,287
Aggregate amount of impairment in the value of investments	484	1,341

**6. (b) Current Investments**

	As at March 31, 2022	As at March 31, 2021
<b>Investment in equity instruments at FVOCI</b>		
<b>Quoted:</b>		
<b>HDFC Bank Limited</b>	6	6
4,070 (March 31, 2021: 4,070) equity shares of ₹ 2 each fully paid up		
<b>Balrampur Chini Mills Limited</b>	0	0
1,200 (March 31, 2021: 1,200) equity shares of ₹ 1 each fully paid up		
<b>Jaysynth Dyestuff (India) Limited</b>	0	0
100 (March 31, 2021: 100) equity shares of ₹ 10 each fully paid up		
<b>Meyer Apparel Limited</b>	0	0
28,475 (March 31, 2021: 28,475) equity shares of ₹ 3 each fully paid up		
<b>Mahindra &amp; Mahindra Limited</b>	6	6
7,288 (March 31, 2021: 7,288) equity shares of ₹ 5 each fully paid up		
<b>Arcotech Limited</b>	0	0
1,000 (March 31, 2021: 1,000) equity shares of ₹ 2 each fully paid up		
<b>Unquoted:</b>		
<b>Pearl Engineering Polymers Limited</b>	-	-
3,160 (March 31, 2021: 3,160) equity shares of ₹ 10 each fully paid up		
<b>Daewoo Motors Limited</b>	-	-
6,150 (March 31, 2021: 6,150) equity shares of ₹ 10 each fully paid up		
<b>Athena Financial Services Limited</b>	-	-
66 (March 31, 2021: 66) equity shares of ₹ 10 each fully paid up		
<b>Inox Leasing &amp; Finance Limited</b>	-	-
100 (March 31, 2021: 100) equity shares of ₹ 10 each fully paid up		
<b>Total current investments</b>	<b>12</b>	<b>12</b>
Aggregate amount of quoted investments and market value thereof	12	12
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**7. Loans**

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Loans to related parties (refer note 40)	56	-	160	425
Doubtful	0	-	-	-
	<b>56</b>	<b>-</b>	<b>160</b>	<b>425</b>
Less: Provision for doubtful loans	0	-	-	-
	<b>56</b>	<b>-</b>	<b>160</b>	<b>425</b>
Loans to employees and others	233	36	112	20
<b>Total</b>	<b>289</b>	<b>36</b>	<b>272</b>	<b>445</b>

**8. Trade Receivables**

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Other trade receivables	60,098	14,516	55,682	14,946
Trade receivables from related parties (refer note 40)	5,633	-	1,249	-
<b>Unsecured, credit impaired</b>				
Other trade receivables	1,587	-	1,346	-
	<b>67,318</b>	<b>14,516</b>	<b>58,277</b>	<b>14,946</b>
Less: Allowances for credit loss	1,587	-	1,346	-
<b>Total</b>	<b>65,731</b>	<b>14,516</b>	<b>56,931</b>	<b>14,946</b>

Note 1: The Group has derecognised trade receivables amounting to ₹ 44,151 million (March 31, 2021: ₹ 46,351 million) as it had transferred the contractual right and substantially transferred all risks and rewards of ownership of these receivables to various financial institutions.

Note 2: In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on past provision. Past Provision takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**Undisputed trade receivables ageing schedule:**

Undisputed	Trade receivables – considered good		Trade receivable – credit impaired	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current but not due	52,031	49,379	75	79
Outstanding for following periods from due date of payment				
Less than 6 Months	11,870	6,588	139	460
6 months – 1 year	420	299	153	142
1-2 years	736	187	546	187
2-3 years	68	40	68	40
More than 3 years	606	438	606	438
<b>Total</b>	<b>65,731</b>	<b>56,931</b>	<b>1,587</b>	<b>1,346</b>

During the financial year ended March 31, 2022 and March 31, 2021, there is no disputed trade receivable.

**9. Other financial assets**

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Security deposits to related parties (refer note 40)	218	266	411	29
Security deposits to others	478	458	282	386
	<b>696</b>	<b>724</b>	<b>693</b>	<b>415</b>
Derivatives designated as hedge (refer note 37)	696	1,504	642	576
Derivatives not designated as hedge	30	-	35	-
Interest receivable	53	2	30	-
Unbilled Revenue (refer note 45)	27,808	112	21,991	50
Deposits with original maturity for more than 12 months	-	58	-	28
Others	1,995	13	809	-
<b>Total</b>	<b>31,278</b>	<b>2,413</b>	<b>24,200</b>	<b>1,069</b>

**10. Other assets**

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Capital advances	-	2,238	-	1,302
Advances recoverable	2,552	161	2,545	116
Unamortised expenditure	2,184	9,041	1,349	10,213
Prepaid expenses	2,799	362	2,554	121
Balances with government authorities	6,783	335	4,948	458
Others	123	1,630	656	1,625
<b>Total</b>	<b>14,441</b>	<b>13,767</b>	<b>12,052</b>	<b>13,835</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**11. (a) Deferred tax assets (net)**

	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax assets / (liabilities)</b>		
Unabsorbed depreciation and Tax losses	6,120	5,680
Property, plant and equipments, investment property and intangible assets	(1,829)	(1,264)
Employee benefits	854	601
Provision for Doubtful debts/Advances/Inventory	3,319	2,511
Others*	3,022	2,696
<b>Total</b>	<b>11,486</b>	<b>10,224</b>

**Movement in Deferred tax assets / (liabilities)**

	Unabsorbed depreciation and Tax losses	Property, plant and equipments, investment property and intangible assets	Employee benefits	Provision for Doubtful debts / Advances / Inventory	Others*	Total
<b>As at April 01, 2020</b>	<b>1,963</b>	<b>479</b>	<b>640</b>	<b>1,355</b>	<b>593</b>	<b>5,030</b>
(Charged) / credited:						
to profit or loss	3,888	(109)	(135)	457	732	<b>4,833</b>
to other comprehensive income	-	-	10	-	(70)	<b>(60)</b>
to profit or loss - discontinued operations (refer note 51)	-	-	-	(9)	-	<b>(9)</b>
to other comprehensive income - discontinued operations (refer note 51)	-	-	3	-	-	<b>3</b>
Transferred to discontinued operations (refer note 51)	-	-	3	-	-	<b>3</b>
Exchange translation & reclassification adjustments*	(171)	(1,634)	80	708	1,441	<b>424</b>
<b>As at March 31, 2021</b>	<b>5,680</b>	<b>(1,264)</b>	<b>601</b>	<b>2,511</b>	<b>2,696</b>	<b>10,224</b>
<b>(Charged) / credited:</b>						
to profit or loss	(209)	(148)	105	562	974	<b>1,284</b>
to other comprehensive income	-	-	(66)	-	(140)	<b>(206)</b>
to profit or loss - discontinued operations (refer note 51)	-	-	(17)	-	-	<b>(17)</b>
to other comprehensive income - discontinued operations (refer note 51)	-	-	7	-	-	<b>7</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

	Unabsorbed depreciation and Tax losses	Property, plant and equipments, investment property and intangible assets	Employee benefits	Provision for Doubtful debts / Advances / Inventory	Others*	Total
Addition due to business combination (refer note 50 & 51)	32	(460)	94	24	409	<b>99</b>
Transferred to discontinued operations (refer note 51)	-	-	9	-	-	<b>9</b>
Exchange translation & reclassification adjustments*	617	43	121	222	(917)	<b>86</b>
<b>As at March 31, 2022</b>	<b>6,120</b>	<b>(1,829)</b>	<b>854</b>	<b>3,319</b>	<b>3,022</b>	<b>11,486</b>

\*Others represent tax impact of temporary differences arising out of interest deductibility limitations, R&D credits, non-deductibility of expenses and other similar items.

**(b) Deferred tax liabilities (net)**

	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liabilities</b>		
Property, Plant and equipment, investment property and intangible assets	3,928	2,348
Others	1,517	1,015
<b>Total</b>	<b>5,445</b>	<b>3,363</b>

**Movement in Deferred tax liabilities**

	Property, Plant and equipment, investment property and intangible assets	Others	Total
<b>As at April 01, 2020</b>	<b>3,317</b>	<b>1,310</b>	<b>4,627</b>
Charged / (credited):			
to profit or loss	(1,443)	(484)	(1,927)
Exchange translation & reclassification adjustments*	474	189	663
<b>As at March 31, 2021</b>	<b>2,348</b>	<b>1,015</b>	<b>3,363</b>
<b>Charged / (credited):</b>			
to profit or loss	306	(268)	38
Addition due to business combination (refer note 50 & 51)	286	309	595
Exchange translation & reclassification adjustments*	988	461	1,449
<b>As at March 31, 2022</b>	<b>3,928</b>	<b>1,517</b>	<b>5,445</b>

Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.

\*Reclassifications generally represents netting off between deferred tax assets and liabilities in respective jurisdictions, transfers out of deferred tax pursuant to change in tax positions in filed tax returns

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**12. Inventories**

	As at March 31, 2022	As at March 31, 2021
Raw materials	38,116	28,355
Work-in-progress	9,215	7,397
Finished goods	12,484	10,053
Stock-in-trade	479	330
Stores and spares	4,123	3,821
<b>Total</b>	<b>64,417</b>	<b>49,956</b>
Inventory include inventory in transit of:		
Raw materials	1,627	2,065
Finished goods	748	739

**Amount recognised in profit or loss:**

During the year ended March 31, 2022, the group has written back inventories to net realisable value (net of reversal of written down related to goods sold during the year at price equal to or above cost) and also made provision in respect of obsolete / slow moving items amounted to ₹ 17 million (March 31, 2021: ₹ 322 million written down). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in consolidated statement of profit or loss.

**13. Cash and cash equivalents**

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- on current accounts	47,593	58,005
- Deposits with original maturity of less than three months	1,036	933
Funds in transit & cheques and drafts on hand	129	41
Cash on hand	17	15
<b>Total</b>	<b>48,775</b>	<b>58,994</b>

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period. For asset pledged refer note 44

**Changes in liabilities arising from financing activities**

	As at March 31, 2021	Cash Flow	Non cash items*	As at March 31, 2022
Long term borrowings (including current maturity of long term borrowing)	93,057	(9,021)	11,522	95,558
Short term borrowings (excluding current maturity of long term borrowing)	13,575	10,899	7,576	32,051
Lease liabilities	12,663	(63)	1,088	13,688
<b>Total liabilities from financing activities</b>	<b>119,295</b>	<b>1,815</b>	<b>20,186</b>	<b>141,296</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2020	Cash Flow	Non cash items*	As at March 31, 2021
Long term borrowings (including current maturity of long term borrowing)	83,622	9,337	98	93,057
Short term borrowings (excluding current maturity of long term borrowing)	34,079	(20,661)	157	13,575
Lease liabilities	13,663	(3,934)	2,934	12,663
<b>Total liabilities from financing activities</b>	<b>131,364</b>	<b>(15,258)</b>	<b>3,189</b>	<b>119,295</b>

\*other non cash items includes, addition on account of business combination and Composite Scheme (refer note 50 & 51), foreign exchange movements. Non cash also includes new leases taken or termination of lease contracts in case of lease liabilities.

**14. Other bank balances**

	As at March 31, 2022	As at March 31, 2021
Deposits with remaining maturity of more than three months but less than 12 months	1,150	12
Unpaid dividend account	69	56
<b>Total</b>	<b>1,219</b>	<b>68</b>

Unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend.

**15. Share Capital**

	As at March 31, 2022	As at March 31, 2021
<b>Authorised*:</b>		
12,300,000,000 (March 31,2021 : 6,050,000,000) Equity shares of ₹ 1/- each	12,300	6,050
Nil ( March 31, 2021 : 25,000,000) 8% Convertible Cumulative Preference Shares of ₹ 10 each	-	250

\*During the year ended 31 March 2022, authorised share capital of the Company got changed as a result of transfer of authorised equity share capital to demerged entity (MSWIL) and transfer of authorised equity share capital from amalgamating company (erstwhile SAMIL) as per the Composite Scheme referred under note 51.

	As at March 31, 2022	As at March 31, 2021
<b>Issued, subscribed and Paid up:</b>		
4,517,614,244 (March 31, 2021 : 3,157,934,237) Equity Shares of ₹ 1 each	4,518	3,158

**a. Movement in equity share capital**

	Numbers	Amount
<b>Equity Shares:</b>		
As at April 01, 2020	3,157,934,237	3,158
Add: Changes during the year	-	-
<b>As at March 31, 2021</b>	<b>3,157,934,237</b>	<b>3,158</b>
Cancellation of equity share capital pursuant to Composite Scheme (refer note 51)	(1,055,750,653)	(1,056)
Issue of equity share capital pursuant to Composite Scheme (refer note 51)	2,415,430,660	2,415
<b>As at March 31, 2022</b>	<b>4,517,614,244</b>	<b>4,518</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**b. Rights, preferences & restrictions attached to shares**
**Equity Shares:**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

**c. Aggregate number of Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2022)**

	Aggregate No of Shares issued in five years	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Equity shares allotted as fully paid bonus shares by capitalization of Securities Premium Account	1,754,407,910	-	-	-	1,052,644,746	701,763,164

**d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.**

	As at March 31, 2022		As at March 31, 2021	
	Nos.	%	Nos.	%
<b>Equity shares:</b>				
Erstwhile Samvardhana Motherson International Limited	-	-	1,055,750,653	33.43%
Sumitomo Wiring Systems Limited	792,637,291	17.55%	792,637,291	25.10%
Shri Sehgal's Trustee Company Private Limited (Trustee of Sehgal Family Trust)	620,113,431	13.73%	-	-
Mr. Vivek Chaand Sehgal	585,855,096	12.97%	-	-
Ms. Renu Alka Sehgal (Trustee of Renu Sehgal Trust)	560,108,958	12.40%	-	-
Radha Rani Holdings Pte. Ltd.	344,020,623	7.62%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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**e. Share holding of promoter group**

As at 31 March 2022	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year <sup>1</sup>
<b>Individual Promoter</b>					
Mr. Vivek Chaand Sehgal	73,165,402	512,689,694	585,855,096	12.97%	701%
Mr. Laksh Vaaman Sehgal	123	1,020	1,143	0.00%	829%
Ms. Vidhi Sehgal	-	24,331,875	24,331,875	0.54%	100%
Ms. Renu Sehgal	150,085	-	150,085	0.00%	0%
Ms. Geeta Soni	8,610,328	7,580,436	16,190,764	0.36%	88%
Ms. Nilu Mehra	7,869,690	2,442,900	10,312,590	0.23%	31%
<b>Promoters group</b>					
Erstwhile Samvardhana Motherson International Limited	1,055,750,653	(1,055,750,653)	-	0.00%	-100.00%
Sumitomo Wiring Systems Limited	792,637,291	-	792,637,291	17.55%	0.00%
Ms. Renu Alka Sehgal (Trustee of Renu Sehgal Trust)	-	560,108,958	560,108,958	12.40%	100%
Motherson Engineering Research and Integrated Technologies Limited	-	74,180,520	74,180,520	1.64%	100%
Shri Sehgal's Trustee Company Private Limited (Trustee of Sehgal Family Trust)	-	620,113,431	620,113,431	13.73%	100%
H. K. Wiring Systems Ltd.	7,660,351	-	7,660,351	0.17%	0.00%
Radha Rani Holdings PTE Ltd.	3,442,623	340,578,000	344,020,623	7.62%	9892.98%
Advance Technologies And Automotive Resources PTE	-	43,576,475	43,576,475	0.96%	100%
	<b>1,949,286,546</b>	<b>1,129,852,656</b>	<b>3,079,139,202</b>	<b>68.16%</b>	

<sup>1</sup>Changes in share holding during the year is pursuant to the Composite Scheme (refer note 51)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

As at 31 March 2021	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
<b>Individual Promoter</b>					
Mr. Vivek Chaand Sehgal	73,165,402	-	73,165,402	2.32%	0%
Mr. Laksh Vaaman Sehgal	123	-	123	0.00%	0%
Ms. Renu Sehgal	150,085	-	150,085	0.00%	0%
Ms. Geeta Soni	8,610,328	-	8,610,328	0.27%	0%
Ms. Nilu Mehra	7,869,690	-	7,869,690	0.25%	0%
<b>Promoter group</b>					
Erstwhile Samvardhana Motherson International Limited	1,055,750,653	-	1,055,750,653	33.43%	0%
Sumitomo Wiring Systems Limited	792,637,291	-	792,637,291	25.10%	0%
H. K. Wiring Systems Ltd.	7,660,351	-	7,660,351	0.24%	0%
Radha Rani Holdings PTE Ltd.	3,442,623	-	3,442,623	0.11%	0%
	<b>1,949,286,546</b>	<b>-</b>	<b>1,949,286,546</b>	<b>61.73%</b>	

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**16. (a) Reserves and surplus**

	As at March 31, 2022	As at March 31, 2021
Capital reserve on consolidation	5,532	1,920
Securities premium	266,770	26,303
Capital reserve on acquisition of non controlling interest	(159,300)	-
Reserve on amalgamation	1,663	1,663
General Reserve	3,432	3,431
Retained earning	76,414	81,102
<b>Total reserves and surplus</b>	<b>194,511</b>	<b>114,419</b>

**Capital reserve on consolidation**

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,920	1,920
Addition pursuant to Composite Scheme (refer note 51)	3,612	-
<b>Closing balance</b>	<b>5,532</b>	<b>1,920</b>

**Securities premium**

	As at March 31, 2022	As at March 31, 2021
Opening Balance	26,303	26,303
Addition pursuant to Composite Scheme (refer note 51)	240,467	-
<b>Closing balance</b>	<b>266,770</b>	<b>26,303</b>

**Capital reserve on acquiring non controlling interest**

	As at March 31, 2022	As at March 31, 2021
Opening Balance	-	-
Addition due to acquisition of non controlling interest pursuant to Composite Scheme (refer note 51)	(159,300)	-
<b>Closing balance</b>	<b>(159,300)</b>	<b>-</b>

**Reserve on amalgamation**

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,663	1,663
<b>Closing balance</b>	<b>1,663</b>	<b>1,663</b>

**General reserve**

	As at March 31, 2022	As at March 31, 2021
Opening balance	3,431	3,430
Transfer from Surplus in Statement of Profit and Loss during the year	1	1
<b>Closing balance</b>	<b>3,432</b>	<b>3,431</b>

**Retained earnings**

	As at March 31, 2022	As at March 31, 2021
Opening balance	81,102	70,642
Additions during the year	8,738	10,392
Remeasurements of post-employment benefit obligation, net of tax	212	(54)
Share of OCI of associates and joint ventures, net of tax	0	2
Dividend paid (refer note 39)	(4,737)	-
Transfer in relation to demerger pursuant to Composite Scheme (refer note 51)	(10,721)	-
Hyperinflation adjustment (refer note 47)	282	126
Recognition of put-call option liability (refer note 50)	(331)	-
Other addition / (deletion)	1,869	(6)
<b>Closing balance</b>	<b>76,414</b>	<b>81,102</b>

During the financial year 2021-22, the Company paid final cash dividend for the financial year 2020-21 amounting ₹ 1.5 per share to its shareholders.

**16. (b) Other reserves**

	Foreign currency translation reserve	Cash flow hedging reserve	FVOCI equity investments	Total
As at April 01, 2020	8,053	(2,254)	(306)	<b>5,493</b>
Currency translation difference	1,791	-	-	<b>1,791</b>
Change in fair value of hedging instruments (net of tax)	-	963	-	<b>963</b>
Change in fair value of FVOCI equity instruments (net of tax)	-	-	(218)	<b>(218)</b>
<b>As at March 31, 2021</b>	<b>9,844</b>	<b>(1,291)</b>	<b>(524)</b>	<b>8,029</b>
Currency translation difference	(531)	-	-	<b>(531)</b>
Change in fair value of hedging instruments (net of tax)	-	620	-	<b>620</b>
Change in fair value of FVOCI equity instruments (net of tax)	-	-	48	<b>48</b>
Other Adjustments	(1,312)	-	-	<b>(1,312)</b>
<b>As at March 31, 2022</b>	<b>8,001</b>	<b>(671)</b>	<b>(476)</b>	<b>6,854</b>

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Capital reserve on acquisition of non controlling interest**

In accordance with the applicable accounting principles, difference between the fair value of interest acquired, being recognised in the standalone financial statements and carrying value of non-controlling interest, being recorded at cost in the consolidated financial statements on the effective date of the merger, in relation to such non controlling interest has been recorded as capital reserve adjustment and accordingly disclosed as 'Capital reserve on acquisition on non-controlling interest'. Refer Composite Scheme details under note 51.

**Cash flow hedging reserve**

The group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the group uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments).

**Capital reserve on consolidation**

It represents capital reserve on acquisition of subsidiaries.

**Reserve on amalgamation**

This reserve was created at the time of amalgamation and mergers carried in earlier years. The reserve is utilised in accordance with the provisions of the Act.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### General Reserve

This reserve comprises retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

### Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

### FVOCI equity investments

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investment reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Bracket denotes appropriations / deductions.

### 17. (a) Non-current borrowings

		As at March 31, 2022	As at March 31, 2021
<b>Secured<sup>*</sup>:</b>			
i)	3.7% Senior Secured Notes Due 2025 (EUR 100 million (March 31, 2021 : EUR 100 million))	8,317	8,483
ii)	4 <sup>7/8</sup> % Senior Secured Notes Due 2021 (NIL (March 31, 2021 : USD 9 million))	-	538
iii)	1.8% Senior Secured Notes Due 2024 (EUR 300 million (March 31, 2021 : EUR 300 million))	24,937	25,400
iv)	Non-convertible debentures	11,995	4,990
v)	Term loans:		
	From Banks:		
	- Rupee Loan	11,378	14,207
	- Foreign currency loan	6,626	10,449
	From others		
	- Indian rupee loan	(0)	-
	- Foreign Currency Loan	0	4
		<b>63,253</b>	<b>64,071</b>
<b>Unsecured:</b>			
i)	Non-convertible debentures	31,239	21,231
ii)	Term loan:		
	From Banks:		
	- foreign currency loan	615	5,859
	From others		
	- Indian rupee loan	0	139
	- Foreign currency loan	451	1,725

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
iii) Loan from related parties		
- Foreign currency loan - from related parties (refer note 40)	-	171
Less : Term loan from others in Indian rupee of discontinued operations (refer note 51)	(0)	(139)
	<b>32,305</b>	<b>28,986</b>
<b>Total</b>	<b>95,558</b>	<b>93,057</b>
Less : Amounts disclosed under the head "current borrowings" (refer note 17 (b))		
Current maturities of long-term borrowings	(10,551)	(18,370)
	<b>85,007</b>	<b>74,687</b>

### 17. (b) Current borrowings

	As at March 31, 2022	As at March 31, 2021
<b>Secured<sup>*</sup>:</b>		
i)	Loans repayable on demand from banks	
	- Rupee Loan <sup>1</sup>	1,940
	- Foreign Currency Loan <sup>2</sup>	7,667
ii)	Other short term loans from banks	
	- Foreign Currency Loan <sup>3</sup>	11
	Less: Rupee Loan of discontinued operations	(0)
		<b>9,618</b>
<b>Unsecured:</b>		
i)	Loans repayable on demand from banks	
	- Rupee Loan	298
	- Foreign Currency Loan	793
ii)	Other short term loans from banks	
	- Foreign Currency Loan	17,484
iii)	Other short term loans - (Other than banks)	
	- Foreign Currency Loan	3,858
		<b>22,433</b>
	Current maturities of long term borrowings (refer note 17(a))	10,551
		<b>42,602</b>
		<b>31,945</b>

**Non-current borrowings:**

**(a) Nature of Security and terms of repayment for secured borrowings:**

Nature of Security	Terms of Repayment
<b>3.7% Senior Secured Notes Due 2025</b> Loan amounting to ₹ 8,317 million (March 31, 2021: ₹ 8,483 million) secured by: a. Guarantee given by some of the material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. b. 100% share pledge of material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. c. Assets security given by some subsidiaries of Samvardhana Motherson Automotive Systems Group B.V.	The Notes bear interest at a rate of 3.70% payable annually on 18th June and will mature on 18th June, 2025.  The Notes carry a prepayment option and as per the terms of the indenture the Subsidiary may at any time prior to June 18, 2025, redeem all or a portion of the Notes by paying 100% of the principal amount of such Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, plus a "make-whole" premium. In addition, prior to June 18, 2025, the subsidiary may redeem, at its option, up to 35% of the Notes with the net proceeds from certain equity offerings.
<b>4<sup>7/8</sup>% Senior Secured Notes Due 2021</b> Loan amounting to Nil (March 31, 2021: ₹ 538 million) secured by:  The Notes are structured as senior secured obligations and will rank pari passu in right of payment with all the existing and future senior obligations of SMRP BV, including the obligations under the 2025 Notes, the 2021 Notes and the Revolving Credit Facilities. The Notes are guaranteed on a senior secured basis by certain subsidiaries of SMRP BV and are secured by share pledge and security interests granted over certain property and assets of SMRP BV and certain of its subsidiaries.	The Notes bear interest at a rate of 4.875% payable semi annually on June 16 & December 16 each year and will mature on December 16, 2021. During the year, one of the subsidiary of the Company redeem USD 375 million of its USD 400 million senior secured notes at USD 101.21875% calculated in accordance with terms of the indenture of said notes. Further in November 2020 it also purchased USD 17.6 million notes under tender offer. Notes are fully repaid in December 2021.  The Notes carry a prepayment option and as per the terms of the indenture, the subsidiary may at any time on or after June 16, 2019, redeem all or part of the Notes by paying the redemption prices set forth in the indenture. Prior to June 16, 2019, the subsidiary is entitled at its option, to redeem all or a portion of the Notes by paying 100% of the principal amount of such Notes, plus accrued and unpaid interest, if any, plus a "make-whole" premium. In addition, prior to June 16, 2019, the subsidiary may redeem, at its option, up to 35% of the principal amount of the Notes at a redemption price equal to 104.875% of the principal amount of the Notes, plus accrued and unpaid interest, if any, up to the redemption date.
<b>1.8% Senior Secured Notes Due 2024</b> Loan amounting to ₹ 24,937million (March 31, 2021: ₹ 25,400 million) secured by:  The Notes are senior obligations of SMRP BV and rank pari passu in right of payment with all the SMRP BV's existing and future senior obligations that are not subordinated in right of payment to the Notes, including the SMRP BV's obligations under the existing Notes and the Revolving Credit Facilities. The Notes are guaranteed on a senior basis by SMRP BV and certain of its subsidiaries and are also secured by security interests granted over certain property and assets of the SMRP BV and certain of its subsidiaries.	The Notes were issued at 99.299% of the nominal value and carry coupon at a rate of 1.80% payable annually on July 06th each year and will mature on July 06, 2024.  The Notes are listed on the Irish Stock Exchange and trade on the Global Exchange Market.

Nature of Security	Terms of Repayment
<b>Secured Non Convertible debentures</b>	
Non convertible debentures amounting to ₹ 4,995 million (March 31, 2021: ₹ 4,990 million) secured by:	
(a) first ranking Security Interest by way of hypothecation on the Hypothecated Properties created by the Company in favour of the Debenture Trustee pursuant to the Deed of Hypothecation; and / or	The company issued 5,000 listed, rated, redeemable, senior, secured non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 5,000 million, in a single tranche.  The Non convertible debentures bear interest at a rate of 7.84% payable annually on April 20 each year and will mature on April 20, 2023.
(b) a first ranking Security Interest by way of equitable mortgage by deposit of title deeds on the Company's rights, title and interest in and to the Mortgaged Properties created by the Company in favour of the Debenture Trustee (or in favour of a security trustee or security agent appointed by the Debenture Trustee (acting in accordance with Approved Instructions)) pursuant to the Mortgage Documents.	
(c) such other Security Interest created by the Company or any other Person as may be mutually agreed by the Company with the Debenture Trustee (acting in accordance with Approved Instructions) and classified as 'Security' for the purposes of this Deed by the Debenture Trustee.	
Non convertible debentures amounting to ₹ 7,000 million (March 31, 2021: Nil) secured by:	
(a) first ranking and exclusive security interest by way of pledge over the Initial Pledged Shares (MSWIL) by the Company in terms of the Share Pledge Agreement.	Originally erstwhile SAMIL issued 700 listed, rated, redeemable, secured non-convertible debentures of a face value of ₹ 10,000,000 each, of the aggregate nominal value of up to ₹ 7,000 million and were transferred to the company in relation to merger pursuant to Composite Scheme (refer note 51).  These instruments bear interest at a rate of 9.75% payable annually and will mature on December 2, 2022.
(b) first ranking and exclusive security interest by way of pledge over the pledged share by the Company in terms of the Share Pledge Agreement.	
(c) first ranking and and exclusive security interest by way of hypothecation over the Hypothecated Properties arising from Initial Pledged Shares (MSWIL) in terms of the Deed of Hypothecation by the Company	
(d) first ranking and and exclusive security interest by way of hypothecation over the Hypothecated Properties arising from Pledged Shares in terms of the Deed of Hypothecation by the Company	
(e) first ranking and and exclusive security interest by way of pledge, to be created by the Pledged Promoter over the Pledged Shares (Company) in terms of the Shares Pledged Agreement (Company), on and from the Pledge Creation Date (Company) until the Pledge Creation date (MSWIL).	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Nature of Security	Terms of Repayment
<b>Long term Indian Rupee loans from Bank include:</b>	
Loan amounting to Nil (March 31, 2021: ₹ 5,750 million) secured by creating a pledge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis.	The principal amount to be paid to bank within period of 5 years from date of disbursement as a bullet payment. The repayment is due in March 2022. The loan carries interest rate of 8% p.a.
Loan amounting to ₹ 9,468 million (March 31, 2021 : ₹ 8,457 million) secured by creating a charge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis	Borrowing carrying Interest rate of 6.05% p.a. repayable in 5 years from date of first disbursement in ratio of 5:5:10:25:55 starting from September 2021.
Loan amounting to ₹ 49 million (March 31, 2021: Nil) secured by first charge hypothecation of movable fixed assets of the Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited).	Repayable in 5 years with 20 quarterly repayments commencing from October 2019 carrying interest rate at 3 months Marginal Cost of Funds based Lending Rate (MCLR).
Loan amounting to ₹ 42 million (March 31, 2021: Nil) secured by first pari-passu charge of Land and Building situated at C-26, Sector 62, Noida and movable fixed assets of Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited)	Repayable in 3 years including moratorium period of 9 months with 10 quarterly repayments carrying interest rate at 6 months Marginal Cost of Funds based Lending Rate (MCLR).
Loan amounting to ₹ 149 million (March 31, 2021: Nil) secured by first pari-passu charge of Land and Building situated at C-26, Sector 62, Noida and movable fixed assets of Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited)	Repayable in 3 years including moratorium period of 9 months with 10 quarterly repayments carrying interest rate at 6 months Marginal Cost of Funds based Lending Rate (MCLR).
Loan amounting to ₹ 82 million (March 31, 2021: Nil) secured by first pari passu charge of movable fixed assets of Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited).	Repayable in 6 years including moratorium period of 6 quarters with 18 quarterly repayments carrying interest rate at 1 year Marginal Cost of Funds based Lending Rate (MCLR).
Loan amounting to ₹ 441 million (March 31, 2021: Nil) secured by exclusive charge on all the current assets and movable fixed assets of Samvardhana Motherson Innovative solutions Limited (both present and future)	The principal amount to be repaid in 28 equal quarterly installment from November 2019 after moratorium period of 24 Months from the date of first drawdown. The loan carries interest rate of 8% p.a.
Loan amounting to ₹ 187 million (March 31, 2021: Nil) secured by First Pari Passu charge over all the present and future movable assets of CTM India Limited	The principal amount to be repaid in 16 equal quarterly installment started from April 2021. The loan carries interest rate of 7.55% p.a.
Loan amounting to ₹ 350 million (March 31, 2021: Nil) secured by exclusive charge on machinery as part of Hot Stamping project and exclusive charge on immovable fixed assets of MS Global India Automotive Private Limited	The principal amount to be repaid in 16 equal quarterly installment started from financial year 2019-20. The loan carries interest rate of 7.10% p.a.
Loan amounting to ₹ 532 million (March 31, 2021: Nil) secured by First and exclusive hypothecation charge on all existing and future moveable fixed assets of Samvardhana Motherson Auto Component Pvt. Ltd.	The principal amount to be repaid in 18 equal quarterly installment started from October 2020. The loan carries interest rate based on Marginal Cost of Funds based Lending Rate (MCLR).
Loan amounting to ₹ 78 million (March 31, 2021: Nil) secured by First and exclusive hypothecation charge on all existing and future moveable fixed assets of Samvardhana Motherson Auto Component Pvt. Ltd.	The principal amount to be repaid in 36 equal quarterly installment started from April 2020. The loan carries interest rate based on Marginal Cost of Funds based Lending Rate (MCLR).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Nature of Security	Terms of Repayment
<b>Long term foreign currency loans from Bank include:</b>	
i. Loan amounting to Nil (March 31, 2021: ₹ 6 million) secured by General Notarial Bond on assets of Vacuform 2000 Pty Ltd.	₹ Nil (March 31, 2021: ₹ 6 million) fully repaid in August 2022. The applicable rate of interest in respect of these loans is Prime lending rate in South Africa minus 3%
ii. Loan amounting to ₹ 16 million (March 31, 2021: ₹ 19 million) secured against land and building of MSSL Japan.	Repayable in quarterly instalments from June 2015 till June 2029. The applicable rate of interest is 3 months Tibor + 0.95%
iii. Loan amounting to ₹ 167 million (March 31, 2021: ₹ 171 million) secured by first mortgage on plant & machinery of Samvardhana Motherson Invest Deutschland GmbH	Repayable in one bullet payment on September 30, 2025. The applicable rate of interest in respect of this loans is 2.2%
iv. Nil (March 31, 2021 : ₹ 5,846 million) secured by creating a pledge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis.	Repayable as bullet payment in March 2022. The applicable rate of interest in respect of this loan is 6 months Libor + 120 basis points to be paid on half yearly basis.
v. ₹ 10 million (March 31, 2021 : ₹ 52 million) secured against the land & building & current receivables.	Repayable as quarterly instalments upto June 2022. The applicable rate of interest in respect of this loans is 3M Euribor + 1.15%
vi. ₹ 4,529 million (March 31, 2021 : ₹ 4,354 million). Facility is guaranteed on a senior secured basis by certain subsidiaries of SMRP BV and are secured by share pledge and security interests granted over certain property and assets of SMRP BV and certain of its subsidiaries.	Repayable in one bullet payment on August 29, 2023. The applicable rate of interest in respect of this loans is Libor + 1.1%
vii. ₹ 0 million (March 31, 2021: ₹ 1 million). Facility is secured against the vehicle for which the loan is availed.	Repayable in monthly instalments till March 2023. The applicable rate of interest in respect of this loan is prime lending rate applicable in South Africa, which is 7.25%.
viii. ₹ 1,904 million (March 31, 2021: Nil). Facility is secured against by corporate guarantee provided by the holding company.	Repayable in one bullet payment on August 29, 2023. The applicable rate of interest in respect of this loans is Euribor + 0.95%
<b>Long term Foreign Currency Loans from Other than Banks include:</b>	
i. Nil (March 31, 2021 : ₹ 5 million) secured against the office equipments of MSSL GmbH for which this loan has been taken.	Fully repaid in December 2021 The applicable rate of interest in respect of this loan is 4.309%

**(b) Terms of repayment for unsecured borrowings:**

Nature of Security	Terms of Repayment
<b>Unsecured Non Convertible debentures</b>	
Non convertible debentures amounting to ₹ 21,262 million (March 31, 2021: ₹ 21,231 million)	The company issued 21,300 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 21,300 million, in a single tranche. The Non convertible debentures bear interest at a rate of 6.65% payable annually on September 14 each year and will mature on September 14, 2023.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Nature of Security	Terms of Repayment
Non convertible debentures amounting to ₹ 9,977 million (March 31, 2021: Nil)	<p>The company issued 2,500 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 2,500 million, in a single tranche. These instruments bear interest at a rate of 5.69% payable annually on November 25 each year and will mature on November 25, 2024.</p> <p>The company issued 5,150 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 5,150 million, in a single tranche. These instruments bear interest at a rate of 6.09% payable annually on November 25 each year and will mature on November 25, 2026.</p> <p>The company issued 2,350 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 2,350 million, in a single tranche. These instruments bear interest at a rate of 5.68% payable annually on December 08 each year and will mature on December 08, 2024.</p>
<b>Unsecured Foreign Currency Term Loans from Banks -</b>	
i. Loan amounting to ₹ 11 million (March 31, 2021: ₹ 23 million).	Repayable in 36 equal monthly instalments started from May 2020 until April 2023. The applicable rate of interest in respect of this loans is 1.50%
ii. Loan amounting to ₹ 31 million (March 31, 2021: ₹ 33 million).	Repayable in 96 equal monthly instalments starting from September 2022 until August 2030. The applicable rate of interest in respect of this loans is 1.11%
iii. Loan amounting to ₹ 37 million (March 31, 2021: ₹ 40 million).	Repayable in 84 equal monthly instalments starting from May 2024 until February 2031. The applicable rate of interest in respect of this loans is 1.20%
iv. ₹ 210 million (March 31, 2021 : ₹ 276 million)	Repayable as quarterly instalments upto July 2025. The applicable rate of interest in respect of this loans is 0.75%
v. Loan amounting to ₹ 159 million (March 31, 2021: ₹ 257 million).	Repayable in 15 equal quarterly instalments commencing from April 2020 upto November 2023. The applicable rate of interest is BIBOR + 1.45% p.a

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Nature of Security	Terms of Repayment
vi. Loan amounting to Nil (March 31, 2021: ₹ 5 million).	Repayable in monthly instalments upto January 2023. The applicable rate of interest is 2.2%
vii. Loan amounting to Nil (March 31, 2021: ₹ 4,544 million).	loan was repaid in June 2021. The applicable rate of interest was 0.50%
viii. Loan amounting to ₹ 159 million (March 31, 2021: ₹ 258 million)	Repayable in quarterly instalments until May 2023. The applicable rate of interest is 1.15%
ix. Loan amounting to Nil (March 31, 2021: ₹ 424 million).	Fully repaid in October 2021. The applicable rate of interest was 5%
x. Loan amounting to 8 million (March 31, 2021: Nil).	Repayable in monthly instalments until February 2023. The applicable rate of interest is 1.48%
<b>Unsecured Indian Rupee Loan from Other than Banks -</b>	
	Interest free loan of Nil (March 31, 2021 : ₹ 139 million) repayable in 3 tranches in November 2022, March 2023 and December 2026 against each disbursements. Bank guarantee is furnished by the Company.
<b>Unsecured Foreign Currency Loan from Other than Banks -</b>	
	Loan amounting to ₹ 72 million (March 31, 2021: ₹ 65 million) with no fixed repayments terms carrying Prime rate interest applicable in South Africa, which is 7.25%.
	Loan amounting to ₹ 2 million (March 31, 2021: ₹ 2 million) interest free with no fixed repayments terms.
	Loan amounting to ₹ 21 million (March 31, 2021: ₹ 31 million) interest free loan repayable in half yearly instalments until March 2024.
	Loan amounting to ₹ 49 million (March 31, 2021: ₹ 48 million) interest free loan repayable in 10 yearly instalments commencing from 2074.
	Loan amounting to ₹ 114 million (March 31, 2021: ₹ 731 million) government loan repayable till FY 2023-24 carrying interest rate of 0.98%.
	Loan amounting to ₹ 3 million (March 31, 2021: ₹ 18 million) repayable in yearly instalments upto financial year 2022-23 carrying interest rate of 5%

Nature of Security	Terms of Repayment
	Loan amounting to ₹ 23 million (March 31, 2021: ₹ 28 million) to be repaid by July 2025 carrying interest rate of 5%
	Loan amounting to ₹ 60 million (March 31, 2021: ₹ 75 million). Interest free loan to be repaid yearly upto July 2026.
	Loan amounting to ₹ 15 million (March 31, 2021: ₹ 31 million) carrying interest rate of 3.95% to be repaid yearly upto November 2022.
	Loan amounting to ₹ 83 million (March 31, 2021: ₹ 107 million). Interest free loan to be repaid in yearly instalments until May 2025.
	Loan amounting to Nil (March 31, 2021: ₹ 277 million). Loan was waived off during the year.
	Loan amounting to ₹ 8 million (March 31, 2021: Nil) repayable in half yearly instalments upto financial year 2022-23 carrying interest rate of 5%
	Loan amounting to ₹ 1 million (March 31, 2021: Nil) repayable in quarterly instalments upto November 2026.
	Loan amounting to Nil (March 31, 2021 : ₹ 312 million) Loan was waived off during financial year 2021-22. The applicable rate of interest was 1.0%
<b>Unsecured Foreign Currency Loans from Related Parties -</b>	Loan amounting to Nil (March 31, 2021: ₹ 171 million). Loan was fully repaid during the year.

**Current borrowings:**

**Nature of Security for secured borrowings:**

- ₹ 750 million (March 31, 2021: ₹ 2,200 million) repayable on demand, secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.  
₹ 15 million (March 31, 2021: Nil) repayable on demand, secured by entire current asset of Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited)  
₹ 68 million (March 31, 2021: Nil) repayable on demand, secured by entire current asset of Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited)  
₹ 409 million (March 31, 2021: Nil) repayable on demand, secured by first pari passu charge on entire current asset of Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited)

- ₹ 28 million (March 31, 2021: Nil) repayable on demand, secured by first pari passu charge on all existing and future current assets and movable fixed assets of Motherson Moulds and Diecasting Ltd.
- ₹ 356 million (March 31, 2021: Nil) repayable on demand, secured by exclusive charge on current assets of MS Global India Automotive Private Limited
- ₹ 50 million (March 31, 2021: Nil) repayable on demand, secured by exclusive charge on current assets of MS Global India Automotive Private Limited
- ₹ 74 million (March 31, 2021: Nil) repayable on demand, secured by First pari-passu charge on the entire current assets of CTM India Limited present and future.
- ₹ 18 million (March 31, 2021: Nil) repayable on demand, secured by First pari-passu charge on the current assets (both present & future) and second pari passu charge on the Movable fixed assets of CTM India Limited.
- ₹ 42 million (March 31, 2021: Nil) repayable on demand, secured by first and exclusive hypothecation charge on all existing and future moveable fixed assets of Samvardhana Motherson Auto Component Pvt. Ltd.
- ₹ 58 million (March 31, 2021: Nil) repayable on demand, secured by first pari passu on all current assets (both present and future) and movable fixed assets of the and movable fixed assets of Samvardhana Motherson Innovative solutions Limited
- ₹ 72 million (March 31, 2021: Nil) repayable on demand, secured by first pari passu on all current assets (both present and future) and movable fixed assets of the and movable fixed assets of Samvardhana Motherson Innovative solutions Limited
- 2 Nil (March 31, 2021: ₹ 73 million ) secured by first pari passu charge on entire current assets SMP Automotive Systems Mexico S.A. de C.V. including receivables, both present and future and second pari passu charge over the fixed assets of SMP Automotive Systems Mexico S.A. de C.V. including equitable mortgage of specified properties.  
₹ 4,792 million (March 31, 2021: 1,698 million) is secured against guarantee of Samvardhana Motherson Automotive Systems Group BV (SMRP BV) and certain subsidiaries and also against same collaterals as all the existing Senior Secured Notes issued by SMRP BV and reported under non-current borrowings.  
₹ 88 million (March 31, 2021: Nil) is secured against some of the assets of MSSSL Advanced Polymers s.r.o.  
₹ 1,213 million (March 31, 2021: Nil) is secured against guarantee of Samvardhana Motherson Automotive Systems Group BV (SMRP BV).  
₹ 1,213 million (March 31, 2021: Nil) is secured against guarantee of Samvardhana Motherson Automotive Systems Group BV (SMRP BV).  
₹ 76 million (March 31, 2021: Nil) is secured against guarantee of Samvardhana Motherson Automotive Systems Group BV (SMRP BV).  
₹ 120 million (March 31, 2021: Nil) is secured against guarantee of Samvardhana Motherson Automotive Systems Group BV (SMRP BV).  
₹ 165 million (March 31, 2021: Nil) secured by unconditional & irrevocable stand-by letter of credit in USD from Axis Bank Ltd. amounting upto 105% of the facility outstanding

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

3 Nil (March 31, 2021: ₹ 257 million ) secured against property, plant and equipments of one of subsidiary in China.

₹ 11 million (March 31, 2021: Nil) secured against exclusive charge on the entire current assets and moveable fixed assets (present and future) of Samvardhana Motherson Auto System Pvt. Ltd.

The rate of interest in respect of short term borrowing is applicable inter bank lending rate for loan currency / applicable base rate of commercial banks of the country of borrower plus spread of 0.0 % to 5.0%

\* The carrying amounts of financial and non financial assets pledged as security for current and non current borrowings are disclosed in Note 44

### 18. Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
- Retention Money	2	23
- Security Deposit Received (refer note 40)	428	200
- Recovery against Vehicle Loan	99	54
- Interest accrued but not due on borrowings	2	-
- Derivatives non designated as hedges	0	-
- Derivatives designated as hedges (refer note 37)	5	72
- Amounts payable to obtain contracts	1,213	1,782
- Accrued expenses	2,409	3,941
- Others <sup>1</sup>	653	4
<b>Total</b>	<b>4,811</b>	<b>6,076</b>

<sup>1</sup> includes liability recognised for put-call option

	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
- Interest accrued but not due on borrowings	2,334	2,324
- Unpaid dividends <sup>1</sup>	69	56
- Employee benefits payable	13,246	12,756
- Security deposit received (refer note 40)	77	11
- Payables relating purchase of fixed assets	3,401	3,073
- Derivatives designated as hedges (refer note 37)	109	1,688
- Derivatives not designated as hedges	231	86
- Advance recovery from employee	55	41
- Amounts payable to obtain contracts	5,067	5,377
- Accrued expenses	8,590	5,414
<b>Total</b>	<b>33,179</b>	<b>30,826</b>

<sup>1</sup> There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 19. Trade Payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of creditors other than related parties	112,227	109,270
Trade payable to related parties (refer note 40)	1,376	2,136
<b>Total</b>	<b>113,603</b>	<b>111,406</b>

#### Undisputed trade payable ageing schedule:

	Undisputed trade payable	
	As at March 31, 2022	As at March 31, 2021
Current but not due	88,906	90,295
Outstanding for following periods from due date of payment		
Less than 6 Months	19,009	18,357
6 months – 1 year	4,365	1,835
1-2 years	904	649
2-3 years	225	76
More than 3 years	194	194
<b>Total</b>	<b>113,603</b>	<b>111,406</b>

During the financial year ended March 31, 2022 and March 31, 2021, there is no disputed trade payable.

### 20. Provisions

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
For warranties	1,693	328	1,926	194
For onerous contracts	84	606	133	557
For restructuring / severance costs	1,035	133	932	338
For litigation, disputes and other contingencies	2,003	281	1,977	393
<b>Total</b>	<b>4,815</b>	<b>1,348</b>	<b>4,968</b>	<b>1,482</b>

#### Warranty

A provision is recognized for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. Due to the very nature of such costs, it is not possible to estimate the uncertainties relating to the outflows of economic benefits.

#### Onerous Contracts

Onerous contracts represent management's best estimate of the amount by which the expected benefits from certain specific contracts are lower than the unavoidable cost of meeting its obligations under those contracts. The time frame within which such provisions will unwind varies by contract.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### Litigation, disputes and other contingencies

Provision for litigation, disputes and other contingencies represents claims against the Group not acknowledged as debts that are expected to materialise in respect of matters in litigation / disputes etc.

### Restructuring / Severance costs

Restructuring / severance costs provisions are created based on announcement for employee restructuring by the Group.

The group has the following provisions in the books of account:

	Restructuring/ Severance costs	Warranty	Onerous contracts	Litigation, disputes and other contingencies
<b>Year ended March 31, 2021</b>				
As at April 01, 2020	107	1,433	-	1,372
Additions during the year	1,548	809	696	1,150
Utilised / reversed during the year	(358)	(169)	-	(165)
Transferred to discontinued operations (refer note 51)	-	8	-	-
Exchange translation adjustment	(27)	39	(6)	13
<b>Closing Balance</b>	<b>1,270</b>	<b>2,120</b>	<b>690</b>	<b>2,370</b>
<b>Year ended March 31, 2022</b>				
<b>As at April 01, 2021</b>	1,270	2,120	690	2,370
Additions during the year	570	513	82	350
Utilised / reversed during the year	(716)	(623)	(66)	(500)
Addition on account of business combination (refer note 50)	-	29	-	4
Exchange translation adjustment	44	(18)	(16)	60
<b>Closing Balance</b>	<b>1,168</b>	<b>2,021</b>	<b>690</b>	<b>2,284</b>

### 21. Employee benefit obligations

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Gratuity and pensions	409	3,833	277	3,411
Compensated absences	1,141	641	1,136	360
Longevity / jubilee bonus	-	248	-	239
Others	730	744	601	904
<b>Total</b>	<b>2,280</b>	<b>5,466</b>	<b>2,014</b>	<b>4,914</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

The long term defined employee benefits and contribution schemes of the group are as under:

### A. Defined Benefit Schemes

#### Gratuity / Pension Benefits

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

#### (i) Present Value of Defined Benefit Obligation

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Obligations at year beginning</b>	<b>6,596</b>	<b>6,840</b>
Current service cost	662	616
Interest expense	286	244
(Gains) and losses on curtailment and settlement	41	14
<b>Amount recognised in profit or loss</b>	<b>989</b>	<b>874</b>
<b>Remeasurements</b>		
Actuarial (gain) / loss from change in demographic assumption	2	34
Actuarial (gain) / loss from change in financial assumption	(173)	26
Experience (gains)/losses	(117)	(5)
<b>Amount recognised in other comprehensive income</b>	<b>(288)</b>	<b>55</b>
Effect of Exchange rate change	(132)	251
Payment from plan:		
Benefit payments	(404)	(415)
Contributions:		
Employers	-	-
Addition on account of business combination	548	-
Addition due to transfer of employee	2	(4)
Less: Transferred to Discontinued Operations (refer note 51)	331	(1,005)
<b>Obligations at year end</b>	<b>7,642</b>	<b>6,596</b>

#### (ii) Fair Value of Plan Assets

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Plan assets at year beginning, at fair value</b>	<b>2,908</b>	<b>3,249</b>
Interest income	156	142
<b>Amount recognised in profit or loss</b>	<b>156</b>	<b>142</b>
<b>Remeasurements</b>		
Actuarial gain / (loss) from change in demographic assumption	(1)	-
Actuarial gain / (loss) from change in financial assumption	(1)	(1)
Return on plan assets, excluding amount included in interest income	(15)	(6)
Experience (gains)/losses	(0)	-
<b>Amount recognised in other comprehensive income</b>	<b>(17)</b>	<b>(7)</b>
Effect of Exchange rate change	(101)	85

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended	
	March 31, 2022	March 31, 2021
Payment from plan:		
Benefit payments	(156)	(200)
Contributions:		
Employers	268	264
Addition on account of business combination	111	-
Addition due to transfer of employee	-	23
Less: Transferred to Discontinued Operations (refer note 51)	231	(648)
<b>Plan assets at year end, at fair value</b>	<b>3,400</b>	<b>2,908</b>

**(iii) Assets and Liabilities recognized in the Balance Sheet**

	For the year ended	
	March 31, 2022	March 31, 2021
Present Value of the defined benefit obligations	7,642	6,596
Fair value of the plan assets	3,400	2,908
<b>Amount recognized as Liability</b>	<b>4,242</b>	<b>3,688</b>

The group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions.

**(iv) Defined benefit obligations cost for the year:**

	For the year ended	
	March 31, 2022	March 31, 2021
Current service cost	662	616
Interest Cost	286	244
Interest income	(156)	(142)
(Gains) and losses on curtailment and settlement	41	14
Actuarial (gain) / loss	(270)	62
Extinguishment to discontinued operations - service and interest cost	-	(86)
Extinguishment to discontinued operations - Actuarial (gain) / loss	-	(11)
<b>Net defined benefit obligations cost</b>	<b>563</b>	<b>794</b>

**(v) Investment details of Plan Assets**

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. In respect of the companies incorporated in India, 100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. In case of South Korea fund has been deposited with multiple financial institutions as required by local regulations and is guaranteed by government. In respect of other overseas entities, plan assets are funded through various institutions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**The details of investments of plan assets are as follows:**

	For the year ended	
	March 31, 2022	March 31, 2021
LIC	1,247	1,076
Deposits with financial institution	2,153	1,832
<b>Total</b>	<b>3,400</b>	<b>2,908</b>

In respect of LIC plan assets are invested by LIC as per their guidelines and no further details are available with the company. Further in respect of deposits with financial institutions although they are low interest bearing investments but are guaranteed by government.

**(vi) Actuarial assumptions:**

	As at March 31, 2022		As at March 31, 2021	
	Indian Entities	Outside India Entities	Indian Entities	Outside India Entities
Discount Rate per annum	7.00%	1.70%-12.25%	6.70%	1.70% - 8.90%
Future salary increases	8.00%	1%-10%	8.00%	1% - 8%
Pension growth rate	-	1.50% - 2%	-	1.50% - 2%
Mortality table *	-	-	-	-

\* Due to the use of different tables at different locations, this information is not disclosed.

**(vii) Expected Contribution to the Fund in the next year**

	For the year ended	
	March 31, 2022	March 31, 2021
Gratuity (Continued operations)	193	288

**(viii) The following table shows breakdown of the defined benefit obligation and plan assets by country:**

Plan Type	As at March 31, 2022			As at March 31, 2021		
	India	Outside India	Total	India	Outside India	Total
Present value of obligation	2,252	5,390	7,642	2,360	4,236	6,596
Fair value of plan asset	1,400	2,000	3,400	1,610	1,298	2,908
<b>Net liability</b>	<b>852</b>	<b>3,390</b>	<b>4,242</b>	<b>750</b>	<b>2,938</b>	<b>3,688</b>

**(ix) Sensitivity Analysis**

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2022	March 31, 2021		March 31, 2022*	March 31, 2021^		March 31, 2022*	March 31, 2021^
Discount Rate per annum	0.50%	0.50%	Decrease by	(63)	(41)	Increase by	69	44
Future salary increases	0.50%-1%	0.50%-1%	Increase by	101	95	Decrease by	(89)	(83)
Pension rate per annum	0.50%	0.50%	Decrease by	(226)	(34)	Increase by	277	80
Life expectancy	1 year	1 year	Decrease by	(5)	(2)	Increase by	5	2

\* Continuing operations

^ Continuing operations and Discontinued operations

The above sensitivity analyses are based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

The method and type of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(x) Risk exposure**

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. In respect of companies incorporated in India, 100% of plan assets are lying with LIC under its group gratuity scheme. LIC is a central government monitored entity and its investment norms ensure adequate returns for investors along with surety of plan assets. In respect of overseas subsidiaries in Korea, the amount has been deposited with multiple financial institutions as required by local regulations and is guaranteed by government.
Changes in bond yields	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Inflation risks	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life expectancy	The pension obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

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

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

**(xi) Defined benefit liability and employer contributions**

Weighted average duration of the defined benefit obligation is 2-14 years (March 31, 2021: 2-14 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Between 6-14 years	Total
<b>March 31, 2022</b>	363	459	1,166	5,132	7,120
Defined benefit obligation (pension & gratuity) of continuing operations					
<b>March 31, 2021</b>	261	354	1,171	4,308	6,094
Defined benefit obligation (pension & gratuity)					

**B. Defined Contribution Schemes**

The Group deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and other funds for the benefit of the employees. Accordingly, the Group's contribution during the year that has been recognised in consolidated statement of profit and loss from continuing operations, amounting ₹ 13,469 million (March 31, 2021 : ₹ 13,267 million).

- C.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued by the Government of India. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**22. Government grants**

	As at March 31, 2022	As at March 31, 2021
Opening balance	2,597	2,790
Grants received during the year	1,640	1,437
Released to profit or loss (Refer note 26)	(1,674)	(1,459)
Released to profit and loss of discontinued operation (refer note 51)	(33)	(32)
Transferred to discontinued operation (refer note 51)	-	(252)
Addition due to business combination	10	-
Exchange differences	327	113
<b>Closing balance</b>	<b>2,867</b>	<b>2,597</b>



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	As at March 31, 2022	As at March 31, 2021
Current portion	475	455
Non-current portion	2,392	2,142
<b>Total</b>	<b>2,867</b>	<b>2,597</b>

**23. Current tax liabilities / (Non-current tax assets) (net)**

Income tax assets and Income tax liabilities have been offset to the extent they relate to the same governing taxation laws.

	As at March 31, 2022	As at March 31, 2021
Non-Current tax assets (net)	2,507	1,843
Current tax liabilities (net)	3,901	3,342
<b>Net tax liabilities / (Assets)</b>	<b>1,394</b>	<b>1,499</b>

**24. (a) Other non-current liabilities**

	As at March 31, 2022	As at March 31, 2021
Advance from Customers (refer note 45)	105	45
Unearned Revenue (refer note 45)	1,336	1,242
Others	222	342
	<b>1,663</b>	<b>1,629</b>

**(b) Other current liabilities**

	As at March 31, 2022	As at March 31, 2021
Other current liabilities		
- Unearned Revenue (refer note 45)	1,200	1,500
- Statutory dues payable	6,047	5,809
- Advances received from customers (refer note 45)	5,920	3,310
- Other payables	5,213	4,126
	<b>18,380</b>	<b>14,745</b>

**25. (a) Revenue from contract with customers**

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Sales of products</b>		
<b>Finished goods</b>		
Within India	52,698	34,611
Outside India	564,253	527,020
Traded goods	4,617	2,530
<b>Total gross sales</b>	<b>621,568</b>	<b>564,161</b>
Sales of services*	6,749	5,352
<b>Total revenue from contract with customers (refer note 41 &amp; 45)</b>	<b>628,317</b>	<b>569,513</b>

Note: There is no material difference between the contract price and the revenue from contract with customers.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**25. (b) Other operating revenue:**

	For the year ended	
	March 31, 2022	March 31, 2021
Scrap sales	1,590	475
Recovery from customers	1,050	1,137
Export incentives	72	75
Liabilities written back to the extent no longer required	360	345
Miscellaneous income	3,971	2,154
	<b>7,043</b>	<b>4,186</b>

**26. Other income**

	For the year ended	
	March 31, 2022	March 31, 2021
Interest income	1,172	656
Dividend income from equity investments designated at fair value through OCI	6	0
Rent income (refer note 4)	706	174
Government grants & subsidies (refer note 22)	1,674	1,459
Gain on account of sale / dilution in shareholding	10	-
Profit on sale of investments	2	(0)
Foreign exchange gain (net)	1,285	-
Miscellaneous income	102	4
<b>Total</b>	<b>4,957</b>	<b>2,293</b>

**27. Cost of materials consumed**

	For the year ended	
	March 31, 2022	March 31, 2021
Opening stock of raw materials	26,290	29,447
Addition on account of business combination (refer note 50 & 51)	973	-
Add : Purchases of raw materials	378,219	342,273
Less: Closing stock of raw materials (continuing operations)	38,116	26,290
Less: Closing stock of raw materials (discontinued operations)	-	4,673
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	376	1,161
Exchange differences closing stock (loss)/gain	307	(1,498)
Less: Cost of materials consumed in discontinued operations*	-	13,662
<b>Total</b>	<b>368,049</b>	<b>326,758</b>

\*net of cost of materials consumed with respect to purchases from continuing operations (refer note 51)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**28. Changes in inventory of finished goods, work in progress and stock in trade**

	For the year ended	
	March 31, 2022	March 31, 2021
<b>(Increase)/ decrease in stocks</b>		
Stock at the opening of the year:		
Finished goods	10,053	9,496
Work-in-progress	7,397	7,390
Stock in trade	327	295
<b>Total A</b>	<b>17,777</b>	<b>17,181</b>
Add: Addition on account of business combination (refer note 50 & 51)		
Finished goods	477	-
Work-in-progress	1,156	-
Stock in trade	108	-
<b>Total B</b>	<b>1,741</b>	<b>-</b>
Stock at the end of the year (continuing operations):		
Finished goods	12,484	10,053
Work-in-progress	9,215	7,397
Stock in trade	479	327
Stock at the end of the year (discontinued operations):		
Finished goods	-	718
Work-in-progress	-	1,247
<b>Total C</b>	<b>22,178</b>	<b>19,742</b>
Exchange adjustment:		
Exchange differences opening stock (gain)/loss	(19)	535
Exchange differences closing stock (loss)/gain	165	(172)
<b>Total D</b>	<b>146</b>	<b>364</b>
Less: Changes in inventory of discontinued operations (refer note 51)	-	(386)
<b>(Increase)/ decrease in stocks (A+B-C+D)</b>	<b>(2,514)</b>	<b>(1,812)</b>

**29. Employee benefit expense**

	For the year ended	
	March 31, 2022	March 31, 2021
Salary, wages & bonus	131,450	118,884
Contribution to provident, superannuation & other fund	13,469	13,267
Gratuity & pension (refer note 21)	833	646
Staff welfare expenses	7,253	6,511
Restructuring/ severance costs	741	1,688
<b>Total</b>	<b>153,746</b>	<b>140,996</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**30. Other expenses**

	For the year ended	
	March 31, 2022	March 31, 2021
Electricity, water and fuel	12,857	9,197
Repairs and Maintenance:		
Machinery	7,228	6,939
Building	2,187	1,363
Others	2,276	2,376
Consumption of stores and spare parts	3,760	2,575
Conversion charges	817	800
Lease rent (refer note 46)	3,050	2,411
Rates & taxes	1,533	1,550
Insurance	1,967	1,623
Foreign exchange losses (net)	-	566
Donation	61	62
Travelling	2,260	1,140
Freight & forwarding	10,460	7,643
Royalty	50	55
Commission	51	27
Loss on sale of property, plant & equipment(net)	148	111
Bad debts/advances written off	97	213
Provision for doubtful debts/advances	111	387
Legal & professional expenses (refer note (a) below)	7,139	7,111
Miscellaneous expenses	13,585	16,986
<b>Total</b>	<b>69,637</b>	<b>63,135</b>

**(a) Payment to Group Auditors:**

	For the year ended	
	March 31, 2022	March 31, 2021
<b>As Auditor:</b>		
Audit fees (including limited review)	149	161
Other services	5	9
Reimbursement of expenses	1	1
<b>Total</b>	<b>155</b>	<b>172</b>

**31. Finance costs**

	For the year ended	
	March 31, 2022	March 31, 2021
Interest on long term borrowings	2,312	2,740
Interest on lease liabilities (refer note 46)	769	760
Commitment charges on borrowings	0	131
Other finance costs <sup>1</sup>	2,345	1,484
<b>Total</b>	<b>5,426</b>	<b>5,115</b>

<sup>1</sup> Includes foreign exchange loss/(gain) on long term loan facilities.

**32. Depreciation and amortization expense**

	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation on Property, plant and equipment	21,414	21,117
Depreciation of right to use assets	4,113	4,283
Amortization on Intangible assets	3,874	3,835
Depreciation on Investment Property	199	42
Less: Capitalised during the year <sup>1</sup>	(18)	(17)
<b>Total</b>	<b>29,582</b>	<b>29,260</b>

<sup>1</sup> Depreciation on assets used for creation of self generated assets. (refer note 3)

**33. Income tax expense****(a) Income tax expense**

	For the year ended	
	March 31, 2022	March 31, 2021
<b>Current tax</b>		
Current income tax charged	7,147	6,260
Adjustments for current tax of prior years	168	(194)
<b>Total current tax expense</b>	<b>7,315</b>	<b>6,066</b>
<b>Deferred tax (refer note 11)</b>		
Decrease / (increase) in deferred tax assets	(1,267)	(4,824)
Less: Decrease / (increase) in deferred tax assets of discontinued operations	(17)	(9)
(Decrease) / increase in deferred tax liabilities	38	(1,927)
<b>Total deferred tax expense / (benefit)</b>	<b>(1,246)</b>	<b>(6,760)</b>
<b>Income tax expense</b>	<b>6,069</b>	<b>(694)</b>

During the previous year ended March 31, 2021, the Group recognized deferred tax assets (net benefit) amounting to ₹ 6,760 million, which include amongst others, deferred tax assets on carried-forward tax losses for the periods prior to the year ended March 31, 2020, which in the absence of convincing evidence were not recognized earlier and also includes deferred tax on temporary differences. The Group assessed that these deferred tax assets will be fully recovered / utilised prior to the expiry or lapse of the associated carried forward as per the tax regulations applicable in respective jurisdiction. Such assessments include estimates of future taxable income based on the approved business plans and profitability forecasts of the Group's subsidiaries.

The Company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The provision for taxation and deferred tax assets / liabilities has been re-measured basis the rates prescribed in the said Section. For certain other subsidiaries and joint venture entities incorporated in India, income tax is calculated at existing applicable tax rate.

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

	For the year ended	
	March 31, 2022	March 31, 2021
Profit before tax from continuing operations		
<b>Profit before tax from continuing operations</b>	<b>14,242</b>	<b>11,733</b>
Tax at India's tax rate of 25.168% (March 2021: 25.168%)	3,585	2,953
Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income)	8	356
Withholding, local and additional income taxes	996	931
Effect of tax credits	(350)	(1,000)
Recognition and utilisation of previously unrecognised tax losses	(647)	(3,068)
Adjustments for current tax of prior periods	168	(194)
Tax effect of losses on which deferred tax assets not recognised	1,304	973
Deferred tax adjustment for prior periods	590	-
Difference in overseas tax rates	230	(1,047)
Other adjustments	185	(598)
<b>Income tax expense of continuing operations</b>	<b>6,069</b>	<b>(694)</b>
<b>Profit before tax from discontinued operations</b>	<b>4,846</b>	<b>4,396</b>
Tax at India's tax rate of 25.168% (March 2021: 25.168%)	1,220	1,106
Other adjustments	(16)	23
<b>Income tax expense of discontinued operations</b>	<b>1,204</b>	<b>1,129</b>

Tax is calculated at domestic tax rates applicable in the respective countries. The weighted average applicable tax rate was 25% for the year ended March 31, 2022 (March 31, 2021: 25%). The movement in weighted average tax rate is mainly on account of variation in profitability of the Group's subsidiaries in the respective countries. There have been no significant changes in tax rates applicable to the Group's subsidiaries during the year.

**(c) Tax losses**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The group did not recognise deferred income tax assets in respect of losses amounting to ₹ 45,286 million (March 31, 2021: ₹ 32,950 million) that can be carried forward against future taxable income. These losses can be carried-forward as below:

	For the year ended	
	March 31, 2022	March 31, 2021
Losses without expiration date	39,469	28,472
Losses with expiration date	5,817	4,478
	<b>45,286</b>	<b>32,950</b>

**(d)** Certain subsidiaries, joint ventures and associates of the group have undistributed retained earnings (excluding retained earnings for entities where there is no tax liability to the group on dividend distribution) amounting to ₹ 42,017 million (March 31, 2021: ₹ 48,803 million), which if distributed out as dividend would



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result in tax liability of group. Keeping in view that, no profit is proposed to be distributed in the immediate future by way of dividend out of such undistributed retained earnings, no deferred tax liabilities has been recognised.

Temporary differences arose as a result of the translation of the financial statements of the group's subsidiaries outside India. However, deferred tax liability has not been recognised as the liability will only crystallise in the event of disposal of the subsidiary, and no such disposal is expected in the foreseeable future. Refer note 16 for Foreign currency translation reserve balance.

### 34. Earnings per share

		For the year ended	
		March 31, 2022	March 31, 2021
<b>For continuing operations</b>			
<b>a) Basic</b>			
Net profit after tax available for equity Shareholders of parent entity		5,096	7,124
Weighted Average number of equity shares used to compute basic earnings per share		3,493,197,800	3,157,934,237
Basic earnings (in ₹) per share of ₹ 1 each (March 31, 2021: ₹ 1 each)		<b>1.46</b>	<b>2.26</b>
<b>b) Diluted</b>			
Net profit after tax available for equity Shareholders of parent entity		5,096	7,124
Weighted average number of Equity Shares of ₹ 1 each (March 31, 2021 : ₹ 1 each )		3,493,197,800	3,157,934,237
Diluted earnings (in ₹) per share of ₹ 1 each (March 31, 2021: ₹ 1 each)		<b>1.46</b>	<b>2.26</b>
<b>For discontinued operations</b>			
<b>a) Basic</b>			
Net profit after tax available for equity Shareholders of parent entity		3,642	3,267
Weighted Average number of equity shares used to compute basic earnings per share		3,493,197,800	3,157,934,237
Basic earnings (in ₹) per share of ₹ 1 each (March 31, 2021: ₹ 1 each)		<b>1.04</b>	<b>1.03</b>
<b>b) Diluted</b>			
Net profit after tax available for equity Shareholders of parent entity		3,642	3,267
Weighted average number of Equity Shares of ₹ 1 each (March 31, 2021 : ₹ 1 each)		3,493,197,800	3,157,934,237
Diluted earnings (in ₹) per share of ₹ 1 each (March 31, 2021: ₹ 1 each)		<b>1.04</b>	<b>1.03</b>
<b>For continuing and discontinued operations</b>			
<b>a) Basic</b>			
Net profit after tax available for equity Shareholders of parent entity		8,739	10,392
Equity shares outstanding at the beginning of the year		3,157,934,237	3,157,934,237
Add: Weighted average number of shares issued		335,263,563	-
Weighted Average number of equity shares used to compute basic earnings per share		3,493,197,800	3,157,934,237
Basic earnings (in ₹) per share of ₹ 1 each (March 31, 2021: ₹ 1 each)		<b>2.50</b>	<b>3.29</b>

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		For the year ended	
		March 31, 2022	March 31, 2021
<b>b) Diluted</b>			
Net profit after tax available for equity Shareholders of parent entity		8,739	10,392
Weighted average number of Equity Shares of ₹ 1 each (March 31, 2021 : ₹ 1 each)		3,493,197,800	3,157,934,237
Diluted earnings (in ₹) per share of ₹ 1 each (March 31, 2021: ₹ 1 each)		<b>2.50</b>	<b>3.29</b>

### Calculation of weighted average number of shares:

The Company allotted 1,359,680,007 net equity shares having face value of ₹ 1/- each to the share holders of erstwhile Samvardhana Motherson International Limited as per the Composite Scheme (refer note 51) as on January 28, 2022. Since the Group has accounted effect of merger from December 31, 2021 weighted average number of share is calculated from that date.

		For the year ended	
		March 31, 2022	March 31, 2021
Opening shares	A	3,157,934,237	3,157,934,237
Additional Share Issued to shareholders of erstwhile Samvardhana Motherson International Limited (refer note 51)		1,359,680,007	-
Weighted average number of shares	B	335,263,563	-
Weighted average number of equity shares used to compute earnings per share	A+B	<b>3,493,197,800</b>	<b>3,157,934,237</b>

### 35. Ratio Analysis and its elements

	For the year ended		% change	Reason for variance
	March 31, 2022 (Refer note (i))	March 31, 2021 (Refer note (i))		
<b>Current Ratios (in times)</b> (Current Assets / Current Liabilities)	1.01	1.04	-2.0%	(Refer note (i))
<b>Debt- Equity Ratio (in times)</b> [(Long term borrowing including current maturities + short term borrowing + lease liabilities) / Shareholders equity]	0.69	0.96	-28.3%	(Refer note (i) & (ii))
<b>Debt Service Coverage Ratio (in times)</b> [(Earnings before interest, depreciation, dividend income, interest income, loss on sale of FA and exceptional items but after tax) / (Interest expense on short term and long term borrowings + scheduled principal repayment of long term borrowing during the year)]	3.17	2.26	40.5%	(Refer note (i) & (iii))
<b>Return on Equity Ratio (in %)</b> (Net Profits after taxes / Average Shareholder's Equity)	5.22%	14.18%	-63.2%	(Refer note (i) & (iv))

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	For the year ended		% change	Reason for variance
	March 31, 2022 (Refer note (i))	March 31, 2021 (Refer note (i))		
<b>Inventory Turnover Ratio (in times)</b> (Cost of goods sold / Average inventories )	6.54	6.20	5.5%	(Refer note (i))
<b>Trade Receivable Turnover Ratio (in times)</b> (Revenue from contract with customers / Average trade receivables)	7.91	8.28	-4.4%	(Refer note (i))
<b>Trade Payable Turnover Ratio (in times)</b> (Purchase of goods / Average trade payable )	3.38	3.13	8.0%	(Refer note (i))
<b>Net Capital Turnover Ratio (in times)</b> (Revenue from contract with customers / Average working capital)	116.17	185.15	-37.3%	(Refer note (i) & (v))
<b>Net Profit Ratio (in %)</b> (Profit / (loss) for the period / Revenue from operations)	1.3%	2.6%	-49.6%	(Refer note (i) & (vi))
<b>Return on Capital Employed (in %)</b> (Earnings before interest and taxes / Average capital employed)	5.9%	7.6%	-21.7%	(Refer note (i))
<b>Return on Investment (in %)</b> [(Dividend income + Group's share in net profit / (loss) of associates and joint ventures accounted for using the equity method) / Average Investment]	0.5%	10.3%	-95.6%	(Refer note (i) & (vii))

**Note:**

- (i) Considering the impact of accounting for Composite Scheme (refer note 51), above ratios have been calculated with the following approach.
- For the periods upto March 31, 2021, all relevant amounts pertaining to continuing and discontinued operations have been considered
  - For the periods after March 31, 2021, only relevant amounts pertaining to continuing operations have been considered.
- Considering that the Composite Scheme (refer note 51) has been accounted for with effect from December 31, 2021, having impact on every accounting captions, through demerger and merger, the above financial ratios are not fully comparable, hence the explanation for the significant variances, cannot be practically furnished.
- (ii) Gross debt has increased by ₹ 16,424 million and total equity has increased by ₹ 74,059 million (net of amount transferred to MSWIL) because of the Composite Scheme (refer Note 51). Increase in total equity due to the Composite Scheme is higher than increase in total debt.
- (iii) During current year and previous year, the Group has made payment of certain long term loan and issued NCD in India with lower effective interest rate, which has decreased interest expenses. Also long term borrowings payable within one year has decreased during current financial year due to higher maturity period

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of outstanding borrowings, which has resulted in improvement in debt service coverage ratio eventhough there was decrease in Earnings compared to previous year.

- (iv) There is increase in shareholder's equity during current financial year due to the Composite Scheme (refer note 51) effective Q4 FY2021-22. Disruption in supply chain has resulted in increase in raw material cost and also changes in manufacturing schedules of OEMs, which, further impacted employee cost and overall profitability of the group. Both of these impacts have adversely effected the return on equity ratio.
- (v) The Group was maintaining higher level of inventory, which has contributed to overall increase in working capital, thus impacted net capital turnover ratio.
- (vi) Disruption in supply chain has resulted in increase in raw material cost and also changes in manufacturing schedules of OEMs, which, further impacted employee cost and overall profitability of the group. Further, during the previous year ended March 31, 2021, the Group recognized higher deferred tax assets, including deferred tax assets on carried-forward tax losses for prior years (refer note 33), which had resulted in higher profit after tax for previous year.
- (vii) During the current financial year, pursuant to the Composite Scheme (refer note 51), additional investments have been recorded on a fair value basis. These additional investments, since recorded during the last quarter of current financial year, has impacted this ratio.

**36. Fair value measurements**
**Financial instruments by category**

	March 31, 2022			March 31, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Investments	-	1,970	-	-	1,299	-
Trade receivables	-	-	80,247	-	-	71,877
Loans	-	-	325	-	-	717
Cash and cash equivalents	-	-	48,775	-	-	58,994
Bank balances other than above	-	-	1,219	-	-	68
Derivative financial assets	30	2,200	-	35	1,218	-
Other financial assets	-	-	31,461	-	-	24,016
<b>Total financial assets</b>	<b>30</b>	<b>4,170</b>	<b>162,027</b>	<b>35</b>	<b>2,517</b>	<b>155,672</b>
<b>Financial Liabilities</b>						
Borrowings including current maturities	-	-	127,609	-	-	106,632
Lease liabilities	-	-	13,688	-	-	12,664
Derivative financial liabilities	231	114	-	86	1,760	-
Trade payable	-	-	113,603	-	-	111,406
Other financial liabilities	-	-	37,645	-	-	35,056
<b>Total financial liabilities</b>	<b>231</b>	<b>114</b>	<b>292,545</b>	<b>86</b>	<b>1,760</b>	<b>265,758</b>

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### i. Fair value hierarchy

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2022

	Notes	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>					
<b>Financial Investments at FVOCI</b>					
Listed equity investments	6(a), 6(b)	105	-	-	<b>105</b>
Unquoted equity investments	6(a), 6(b)	-	1,069	796	<b>1,865</b>
<b>Derivatives designated as hedges</b>					
Foreign exchange forward contracts	9	-	1,960	-	<b>1,960</b>
Cross currency interest rate swap	9	-	240	-	<b>240</b>
<b>Derivatives not designated as hedges</b>					
Foreign exchange forward contracts	9	-	-	30	<b>30</b>
<b>Total</b>		<b>105</b>	<b>3,269</b>	<b>826</b>	<b>4,200</b>
<b>Financial liabilities</b>					
<b>Derivatives designated as hedges</b>					
Foreign exchange forward contracts	18	-	114	-	<b>114</b>
<b>Total</b>		<b>-</b>	<b>114</b>	<b>-</b>	<b>114</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021

	Notes	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>					
Financial Investments at FVOCI					
Listed equity investments	6(a), 6(b)	12	-	-	<b>12</b>
Unquoted equity investments	6(a), 6(b)	-	1,092	195	<b>1,287</b>
<b>Derivatives designated as hedges</b>					
Foreign exchange forward contracts	9	-	1,197	-	<b>1,197</b>
Cross currency interest rate swap	9	-	21	-	<b>21</b>
<b>Derivatives not designated as hedges</b>					
Foreign exchange forward contracts	9	-	-	35	<b>35</b>
<b>Total</b>		<b>12</b>	<b>2,310</b>	<b>230</b>	<b>2,552</b>
<b>Financial liabilities</b>					
<b>Derivatives designated as hedges</b>					
Cross currency interest rate swap	18	-	1,633	-	<b>1,633</b>
Foreign exchange forward contracts		-	127	-	<b>127</b>
<b>Total</b>		<b>-</b>	<b>1,760</b>	<b>-</b>	<b>1,760</b>

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Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	Level 1	Level 2	Level 3	Total
<b>At March 31, 2022</b>				
<b>Financial liabilities</b>				
Borrowings <sup>1&amp;2</sup>	24,067	43,233	59,315	<b>126,615</b>
<b>Total financial liabilities</b>	<b>24,067</b>	<b>43,233</b>	<b>59,315</b>	<b>126,615</b>
<b>At March 31, 2021</b>				
<b>Financial liabilities</b>				
Borrowings <sup>1&amp;2</sup>	26,159	26,220	54,319	<b>106,698</b>
<b>Total financial liabilities</b>	<b>26,159</b>	<b>26,220</b>	<b>54,319</b>	<b>106,698</b>

Other financial assets and liabilities which are measured at amortised cost are disclosed in sub-note iv below. Fair values for these financial assets and liabilities are Level 3 valuations.

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, loans, other current receivables, trade payables and other financial liabilities, their fair values are equal to their carrying amounts.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

<sup>1</sup> Includes 3.7% senior secured notes due 2025 amounting to EUR 100 million, [₹ 8,194 million (March 31, 2021: ₹ 8,327 million)] which are held by limited set of investors and are not very actively traded on the stock exchange, as a result fair value of these notes is based on computed prices and hence fall in level 3 hierarchy.

<sup>2</sup>The Company has taken interest rate swap amounting to ₹ 39,650 million (March 31, 2021: ₹ 29,800 million) and a borrowing with fixed interest rate amounting ₹ 5,150 million (March 31, 2021: ₹ 5,000 million).

### ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.



## iii. Fair value measurements using significant unobservable inputs (level 3)

	Unquoted Equity securities
<b>As at April 01, 2020</b>	<b>1,612</b>
Addition	73
Exchange gain / (loss)	44
Gains / (losses) recognised in other comprehensive income	(442)
<b>As at March 31, 2021</b>	<b>1,287</b>
Addition	65
Converted as subsidiary (refer note 51)	(146)
Additions on account of business combination	810
Exchange gain / (loss)	(20)
Gains / (losses) recognised in other comprehensive income	(131)
<b>As at March 31, 2022</b>	<b>1,865</b>

## iv. Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2022		March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Loans	36	36	445	445
Trade receivables	14,516	14,516	14,946	14,946
Other financial assets	909	909	493	493
	<b>15,461</b>	<b>15,461</b>	<b>15,884</b>	<b>15,884</b>
<b>Financial liabilities</b>				
Borrowings	127,609	126,615	106,632	106,698
Lease liabilities	13,688	13,688	12,664	12,664
Other financial liabilities	4,806	4,806	6,004	6,004
	<b>146,103</b>	<b>145,109</b>	<b>125,300</b>	<b>125,366</b>

**Note:** The carrying amounts of current financial assets and current financial liabilities i.e. trade receivables, loans, other financial assets, trade payables, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

## v. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted:

Particulars	Fair Value as at	
	March 31, 2022	March 31, 2021
Unquoted equity shares	796	195
<b>Significant unobservable inputs*</b>		
Earnings growth rate	-	4%
Risk adjusted discount rate	-	16%
<b>Impact of change in risk adjusted discount rate*</b>		
Decrease in discount rate by 0.50%	-	19
Increase in discount rate by 0.50%	-	(17)
<b>Impact of change in earning growth rate*</b>		
Decrease in growth rate by 0.50%	-	(14)
Increase in growth rate by 0.50%	-	16

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values

\*Holding all the other variable constant, for other significant investment, fair valuation was not performed as at reporting date since the acquisition is made close to reporting period or there is recent investment by other investors and thus transaction value represents fair value, hence sensitivity analysis has not been considered.

## 37. Financial risk management

The Group, as an internationally active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The group's global presence and decentralised management structure with the main activities in the plants make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risk in which the group is exposed to and how it manages the risk.

## A. Market risk:

Market risk is the risk that the fair value of future cashflows of a financial instruments will fluctuate because of changes in market price/ rate. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/ receivables in foreign currencies.

## a. Price risk:

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the group in its various products segment. Pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the group. The group has set up Global Sourcing Procurement (GSP) at Sharjah which gives leverage of bulk buying and helps in controlling prices to a certain extent.

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The key raw material for the group's wiring harness business is copper. There is substantial fluctuations in prices of copper. The group has arrangements with its major customers for passing on the price impact. The group has also entered into forward contracts to hedge copper prices at the behest of the customers.

The major raw materials used by Polymer Division of the group are polypropylenes, polycarbonates and various grades of nylons and resins. The group is having arrangement with major customers for actualization of raw material price variations periodically. Motherson Polymer Solutions has been established with a view of taking leverage on group's bulk consumption on major grades. The group will further achieve operational synergies through the horizontal and vertical integration of SMP's operations and products, by sourcing raw materials, inputs like wiring harnesses and smaller plastic parts etc. from its group companies where possible. The setting up of GSP further strengthens the procurement function.

The main inputs for the group's mirror business are glass actuators, powerfolds, glass, electrochromatic glass ("EC glass"), wiring harnesses, electronics, electrical parts, die casting, plastic parts and resins. The group has arrangements with its major customers for passing on the price impact.

The group is regularly taking initiatives like VA-VE (value Addition, value engineering) to reduce its raw material costs to meet targets set up by the customers for cost downs. In respect of customer nominated parts, the group has back to back arrangements for cost savings with its suppliers.

### b. Foreign currency risk:

Foreign currency risk arise from monetary receivables and obligations expressed in a currency other than functional currency of each entity in the group. The group has operations in 41 countries, largely catering domestic customers in the country of its operation. Primarily the group is catering to customers in their local currency resulting in natural hedge. However in certain geographies wherein there are certain foreign currency expenditure, the group companies obtain hedge against those material foreign currency risk exposures which aligns to group's risk management policies. The group's major exposure in foreign currency is in respect of borrowings which is availed based on consideration of optimisation of overall cost of borrowing. The group has entered into fixed cross currency interest rate swap to hedge said foreign currency exposure.

#### The derivative instruments exposure is as follows:

##### (i) Derivatives outstanding as at the reporting date

Amounts in million

Particulars/ Purpose	Currency	As At March 31, 2022	As At March 31, 2021
Forward Contract (Buy)	MXP : USD	MXP 3,636; INR 12,669	MXP 1,383; INR 4,552
	HUF : EUR	HUF 50,824; INR 10,650	HUF 9,120; INR 2,126
	CNY : EUR	CNY 45; INR 489	-
	USD : MXP	USD 5 ; INR 409	USD 150 ; INR 11,000
	CNY : KRW	CNY 95; INR 1,125	-
	USD : EUR	-	USD 8; INR 557
	EUR : THB	EUR 20 ; INR 1,726	-
	EUR : MXP	EUR 0 ; INR 1	-
	USD : MXP	USD 1 ; INR 43	-
	EUR : USD	EUR 0 : INR 35	-

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Amounts in million

Particulars/ Purpose	Currency	As At March 31, 2022	As At March 31, 2021
Forward Contract (Sell)	CNY : EUR	-	CNY 52; INR 542
	EUR : THB	-	EUR 6 ; INR 512
	USD : AUD	USD 4; INR 323	USD 1; INR 80
	USD : MXP	USD 2; INR 137	-
	EUR : MXP	EU 0; INR 27	-
Cross currency swap	USD : EUR	-	USD 80; INR 6,361
	INR : EUR	-	INR 5,750; EUR 81
	INR : EUR	INR 5,197; EUR 60.00	INR 5,197; EUR 60.00
	INR : EUR	INR 2,596; EUR 30.00	INR 2,596; EUR 30.00
	INR : EUR	INR 2,595; EUR 30.00	INR 2,595; EUR 30.00
	INR : EUR	INR 2,607; EUR 30.00	INR 2,607; EUR 30.00
	INR : USD	INR 2,198; USD 30.00	INR 2,198; USD 30.00
	INR : USD	INR 2,204; USD 30.00	INR 2,204; USD 30.00
	INR : USD	INR 1,469; USD 20.00	INR 1,469; USD 20.00
	INR : USD	INR 2,427; USD 33.00	INR 2,427; USD 33.00
	INR : EUR	INR 3,448; EUR 40.00	INR 3,448; EUR 40.00
	INR : EUR	INR 2,595; EUR 30.00	INR 2,595; EUR 30.00
	INR : EUR	INR 2,593; EUR 30.00	INR 2,593; EUR 30.00
	INR : EUR	INR 2,500; EUR 29.88	-
	INR : EUR	INR 2,500; EUR 29.88	-
	INR : EUR	INR 2,500; EUR 29.88	-
	INR : EUR	INR 2,350; EUR 27.47	-
	USD : BRL	USD 16.50; BRL 88.00	-
	USD : EUR	-	USD 85.00; EUR 74.32
	EUR : USD	EUR 1.53 ; USD 2.86	EUR 1.71 ; USD 2.07
EUR : USD	EUR 111.39 ; USD 125.86	-	

### Sensitivity

Due to vary nature of our contracts with major OEMs any significant change in foreign currency on imported purchase are passed on to customers. In respect of borrowings the management expects natural hedge as earnings in foreign currency will be utilised for repayment of borrowings and thus no material impacts.

### c. Interest rate risk:

Interest rate is the risk that fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long term debt obligation at floating interest rates.

The group's approximately 92% (previous year 82%) of long term debt (i.e. more than 79% of gross debt) is borrowed at a fixed rate of interest in a range of 0.5% p.a. to 7.84% p.a. (March 31, 2021: 0.5% p.a. to 7.84% p.a.)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

The exposure of the Group's borrowing to interest rate changes at the end of reporting period are as follows:

	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	26,533	22,519
Fixed rate borrowings	101,076	84,113
<b>Total borrowings</b>	<b>127,609</b>	<b>106,632</b>

Profit / loss is sensitive to higher / lower interest expense from borrowings as a results of changes in interest rates. Holding all other variable constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rate on floating portion of borrowings.

	Impact on profit before tax	
	March 31, 2022	March 31, 2021
Interest rates-increase by 50 basis points*	(133)	(113)
Interest rates-decrease by 50 basis points*	133	113

\* Holding all other variables constant

### B. Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions.

#### Trade receivables

The Group has developed guidelines for the management of credit risk from trade receivables. The Group's primary customers are major automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

#### Financial instruments and cash deposits

The Group has deposited liquid funds at various banking institutions. Primary banking institutions are major international banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due over past years.

### C. Liquidity risk:

The liquidity risk encompasses any risk that the Group cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating entities of the group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements on the basis of future cashflow projections to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### (a) Financing arrangements

The Group has access to the following undrawn borrowing facilities, which are in nature of working capital loans, at the end of the reporting period.

	As at March 31, 2022	As at March 31, 2021
Floating rate	49,304	66,777

### (b) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

Contractual maturities of financial liabilities

Year Ending March 31, 2022	Less than 1 Year	Between 1 and 5 years	More than 5 Years	Total
<b>Non-derivatives</b>				
Borrowings	44,893	86,955	252	<b>132,100</b>
Lease liabilities	4,130	8,729	2,108	<b>14,967</b>
Trade payables	113,603	-	-	<b>113,603</b>
Other financial liabilities	32,839	4,806	-	<b>37,645</b>
<b>Total non-derivative liabilities</b>	<b>195,465</b>	<b>100,490</b>	<b>2,360</b>	<b>298,315</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward contracts	340	5	-	<b>345</b>
<b>Total derivative liabilities</b>	<b>340</b>	<b>5</b>	<b>-</b>	<b>345</b>

Year Ending March 31, 2021	Less than 1 Year	Between 1 and 5 years	More than 5 Years	Total
<b>Non-derivatives</b>				
Borrowings	34,413	78,823	425	<b>113,661</b>
Lease liabilities	3,953	8,868	2,140	<b>14,961</b>
Trade payables	111,406	-	-	<b>111,406</b>
Other financial liabilities	29,052	6,004	-	<b>35,056</b>
<b>Total non-derivative liabilities</b>	<b>178,824</b>	<b>93,695</b>	<b>2,565</b>	<b>275,084</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward contracts	1,774	72	-	<b>1,846</b>
<b>Total derivative liabilities</b>	<b>1,774</b>	<b>72</b>	<b>-</b>	<b>1,846</b>



**Impact of hedging activities**  
**a Disclosure of effects of hedge accounting on financial position**  
**Cash flow hedge:**

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments		Maturity date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
<b>March 31, 2022 :</b>								
(i) Foreign exchange forward contracts								
	MXP 761	161	-	Apr'2022 - Mar'2023	1:1	USD:MXP : 21.6106	161	(161)
	MXP 54	11	-	May'2022 - Sep'2022	1:1	USD:MXP : 21.3857	11	(11)
	MXP 1,961	298	-	Apr'2022 - Mar'2023	1:1	USD:MXP : 21.296	298	(298)
	HUF 50,824	172	34	Apr'2022 - Mar'2024	1:1	EUR:HUF : 400.19	139	(139)
	AUD 6	21	-	Sep'2022 - Dec'2022	1:1	USD:AUD : 1.42	21	(21)
	EUR 20	28	5	Apr'2022 - Jan'2024	1:1	THB:EUR : 0.03	23	(23)
	CNY 45	39	-	Jul'2022 - Dec'2022	1:1	EUR:CNY : 7.79	39	(39)
	USD 52	-	9	Dec'2022	1:1	MXP:USD : 0.0442	(9)	9
	MXP 861	180	-	Apr'2022 - Dec'2023	1:1	USD:MXP : 22.65	180	(180)
	EUR 0.4	-	3	Oct'2022	1:1	USD:EUR : 0.82	(3)	3
(ii) Cross currency interest rate swap								
	USD 383	240	64	Apr'2022 - Aug'2023	1:1	EUR:USD : 1.13	176	(176)
	USD 80	-	-	Mar'2022	1:1	EUR:USD : 1.0783	-	-
	INR 5,750	-	-	Mar'2022	1:1	EUR:INR : 70.5900	-	-
	INR 8,636	253	-	Oct'2025	1:1	EUR:INR : 86.3590	253	317
	INR 12,995	669	-	Sep'2023	1:1	EUR:INR : 86.6321	669	322
	INR 8,298	67	-	Sep'2023	1:1	USD:INR : 74.4326	67	(137)
	INR 2,500	18	-	Nov'2026	1:1	EUR:INR : 83.67	18	(18)
	INR 2,500	20	-	Nov'2026	1:1	EUR:INR : 83.67	20	(20)
	INR 2,500	2	-	Nov'2024	1:1	EUR:INR : 83.67	2	(2)

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments		Maturity date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
<b>March 31, 2021 :</b>								
(i) Foreign exchange forward contracts								
	INR 2,350	20	-	Dec'2024	1:1	EUR:INR : 85.55	20	(20)
	MXP 819	93	-	Apr'2021 - Mar'2022	1:1	USD:MXP : 21.4924	93	(93)
	MXP 88	8	-	Apr'2021 - Mar'2022	1:1	USD:MXP : 21.2708	8	(8)
	MXP 1,670	96	-	Apr'2021 - Mar'2022	1:1	USD:MXP : 21.1779	96	(96)
	HUF 16,456	17	-	May'2021 - Feb'2022	1:1	EUR:HUF : 367.33	17	(17)
	AUD 7	-	6	Apr'2021 - Jul'2021	1:1	USD:AUD : 1.2938	(6)	6
	MXP 313	211	-	Apr'2021 - Mar'2022	1:1	USD:MXP : 26.1038	211	(211)
	CNY 33	31	-	Apr'2021 - Oct'2021	1:1	EUR:CNY : 1.2721	31	(31)
	USD 11	4	1	Dec'2022 - Mar'2023	1:1	MXP:USD : 0.0442	2	(2)
	USD 52	368	-	Apr'2021 - Mar'2022	1:1	MXP:USD : 0.0432	368	(368)
	MXP 476	(183)	-	Jun'2021 - Mar'2022	1:1	USD:MXP : 23.7957	(183)	183
	EUR 8	-	12	Apr'2021 - Mar'2022	1:1	USD:EUR : 0.8308	(12)	12
(ii) Cross currency interest rate swap								
	USD 7	-	37	Dec'2021	1:1	EUR:USD : 1.0900	(40)	40
	USD 60	21	7	Aug'2023	1:1	EUR:USD : 1.1676	(337)	342
	USD 80	-	498	Mar'2022	1:1	EUR:USD : 1.0783	431	(431)
	INR 5,750	-	1,135	Mar'2022	1:1	EUR:INR : 70.5900	328	(328)
	INR 8,636	-	64	Oct'2025	1:1	EUR:INR : 86.3590	(64)	64
	INR 12,995	347	-	Sep'2023	1:1	EUR:INR : 86.6321	347	(347)
	INR 8,298	204	-	Sep'2023	1:1	USD:INR : 74.4326	204	(204)

**38. Capital management**
**(a) Risk management**

The group's objectives when managing capital are to safeguard their ability to continue as a going concern and also their ability to fund inorganic growth, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the group monitors Net Debt to EBITDA ratio: Net debt (total borrowings including lease liabilities net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs plus exceptional expense less interest income).

The group's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
Net Debt	91,372	60,876
EBITDA	48,399	50,212
<b>Net Debt to EBITDA</b>	<b>1.89</b>	<b>1.21</b>

<sup>^</sup> Net Debt and EBITDA is inclusive of discontinued operations

**(i) Loan covenants**

Under the terms of the major borrowing facilities, the group is required to comply with certain financial covenants and the group has complied with those covenants throughout the reporting periods.

**(b) Dividends**

	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
<b>On Equity shares of ₹ 1 each</b>		
<b>Dividend</b>		
Amount of dividend paid	4,737	-
Dividend per equity share	1.50	-

**39. Distribution made and proposed**

	As at March 31, 2022	As at March 31, 2021 <sup>^</sup>
<b>Cash dividends on equity shares declared and paid</b>		
Final cash dividend for the year ended on March 31, 2021: ₹ 1.50 per share (March 31, 2020: Nil) per share	4,737	-
	<b>4,737</b>	-
<b>Proposed dividends on Equity shares</b>		
Final cash dividend for the year ended on March 31, 2022: ₹ 0.65 (March 31, 2021: ₹ 1.50) per share	2,936	4,737
	<b>2,936</b>	<b>4,737</b>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31.

The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

**40. Related Party Disclosures**
**I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:**
**a. Promoters / Entities with joint control over the Company**

Name	Place of incorporation	Ownership interest	
		March 31, 2022	March 31, 2021
1 Erstwhile Samvardhana Motherson International Limited (upto December 31, 2021, refer note 51)	India	-	33.43%
2 Sumitomo Wiring Systems Limited, Japan	Japan	17.55%	25.10%

**b. Joint Ventures:**

- 1 Motherson Sumi Wiring India Limited\*
- 2 Kyungshin Industrial Motherson Private Limited
- 3 Calsonic Kansei Motherson Auto Products Private Limited
- 4 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited
- 5 Chongqing SMR Huaxiang Automotive Products Limited
- 6 Tianjin SMR Huaxiang Automotive Part Co. Limited
- 7 Nanchang JMCG SMR Huaxiang Mirror Co. Ltd
- 8 Eissmann SMP Automotive interieur Slovakia s.r.o.
- 9 Anest Iwata Motherson Coating Equipment Private Limited\*
- 10 Anest Iwata Motherson Private Limited\*
- 11 Valeo Motherson Thermal Commercial Vehicles India Limited\*
- 12 Matsui Technologies India Limited\*
- 13 Frigel Intelligent Cooling Systems India Private Limited\*
- 14 Fritzmeier Motherson Cabin Engineering Private Limited\*
- 15 Nissin Advanced Coating Indo Co. Private Limited\*
- 16 Motherson Bergstrom HVAC Solutions Private Limited\*
- 17 Marelli Motherson Automotive Lighting India Private Ltd.\*
- 18 Motherson Auto Solutions Limited\*
- 19 Marelli Motherson Auto Suspension Parts Pvt Ltd\*
- 20 Youngshin Motherson Auto Tech Limited\*

\* considered as joint venture entities from the effective date of the Composite Scheme referred under note 51.

**c. Associate Companies:**

- 1 Saks Ancillaries Limited (became subsidiary during financial year ended March 31, 2022) (refer note 51)
- 2 Hubei Zhengao PKC Automotive Wiring Company Ltd.
- 3 AES (India) Engineering Limited\*

\* considered as associate from the effective date of the Composite Scheme refer note 51

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties:

#### Key management personnel compensation

	March 31, 2022	March 31, 2021
Short-term employee benefits	318	292
Directors commission/sitting fees	28	40
Post-employment benefits payable	67	50
Long-term employee benefits payable	21	16

#### Terms and conditions:

Transactions relating to sales and purchase of goods with related parties during the year are based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

There is no significant allowance for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties. Outstanding balances are unsecured and are repayable in cash.

#### Transactions with related parties

S. No.	Particulars	Associate companies		Joint Ventures		Key management personnel		Joint control over the entity		Other related parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Sale of products	69	-	12,754	5,799	5	-	0	1	252	286
2	Sales of services	5	-	887	488	1	16	7	39	50	135
3	Rent income	-	-	30	25	-	-	-	-	74	45
4	Sale of property, plant and equipment	-	-	-	-	-	-	-	0	-	0
5	Purchase of goods	0	-	4,629	5,134	-	-	5,320	5,803	10,985	10,189
6	Purchase of property, plant and equipment & Right-of-use assets	-	-	158	-	-	-	49	34	1,021	529
7	Purchase of services	-	-	117	0	-	2	259	356	2,874	3,183
8	Rent expense	-	-	-	-	6*	5*	20	40	312	169
9	Payment of lease liability	-	-	-	-	-	-	-	-	137	192
10	Payment of interest on lease liabilities	-	-	-	-	-	-	-	-	34	80
11	Reimbursement made	-	-	6	0	0	-	4	7	72	88
12	Reimbursement received	-	0	2,125	0	-	-	1	5	28	12
13	Royalty	-	-	-	-	-	-	273	279	-	-
14	Dividend paid	-	-	-	-	135**	0**	2,757	-	5	48
15	Dividend received	-	-	-	-	-	-	-	-	-	-

\*\*Dividend of ₹ 135 million (March 31, 2021 : Nil) paid to Mr. V. C. Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Pankaj Mital, Mr. G.N. Gauba, Ms. Geeta Mathur, Mr Naveen Ganzu, Arjun Puri, Alok Goel and Mr. Gautam Mukherjee.

**Note:** Pursuant to the Composite Scheme, relationship with certain entities has got changed from the effective date of Composite Scheme, hence, the above disclosure in respect of transactions entered into with those entities have been presented based on the relationship on the date of transaction.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### Outstanding balances arising from sales / purchases of goods and services

S. No.	Particulars	Associate companies		Joint Venture		Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Trade Payable	2	-	494	756	10	0	195	2,045	675	949
2	Trade Receivable	-	-	5,632	1,168	-	-	-	10	1	128
3	Capital advances	-	-	-	-	-	-	-	-	-	31
4	Advances recoverable	-	-	1	-	-	-	-	-	56	95
5	Investments*	-	-	-	-	-	-	-	-	-	14
6	Advances from customer	-	-	26	3	-	-	0	1	0	-

\* Investment in joint venture and associates companies are not disclosed in above table. Refer note 48 for investment in joint ventures and associates.

### Loans & advances to / from related parties

S. No.	Particulars	Associate Companies		Joint Venture		Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>i.</b>	<b>Security deposits given:</b>										
	Beginning of the year	-	-	-	-	-	-	-	-	440	480
	Security deposit given	-	-	-	-	-	-	-	-	133	68
	Security deposits received back	-	-	-	-	-	-	-	-	(89)	(108)
	<b>End of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>484</b>	<b>440</b>
<b>ii.</b>	<b>Security Deposit Received:</b>										
	Beginning of the year	-	-	34	35	-	-	-	-	17	15
	Security deposits received	-	-	290	-	-	-	-	-	(2)	2
	Security deposits repaid	-	-	-	(1)	-	-	-	-	-	-
	<b>End of the year</b>	<b>-</b>	<b>-</b>	<b>324</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>17</b>
<b>iii.</b>	<b>Loans given:</b>										
	Beginning of the year	-	-	-	-	-	-	-	-	585	222
	Addition on account of business combination	-	-	66	-	-	-	-	-	-	-
	Loans given	-	-	-	-	-	-	-	-	75	396
	Interest income	-	-	4	-	-	-	-	-	41	31
	Loans & interest received back	-	-	(14)	-	-	-	-	-	(701)	(64)
	<b>End of the year</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>585</b>
<b>iv.</b>	<b>Loans taken:</b>										
	Beginning of the year	-	-	-	-	-	-	-	-	628	2,484
	Loans received	-	-	-	-	-	-	-	500	-	3,858
	Interest expense	-	-	-	-	-	-	-	18	-	88
	Loans repaid & interest paid	-	-	-	-	-	-	-	(518)	(628)	(5,802)
	<b>End of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>628</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

### 41. Segment Information:

#### (a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments examines the group's performance categorized in to following segments:

Segments	Description
SAMIL Standalone	Represents standalone operations of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited), engaged mainly in the business of manufacturing and trading of automobile parts for commercial and passenger vehicles.
SMR	Represents subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited which are engaged in development, manufacture and supply of rear view mirrors and drive assistance systems.
SMP	Represents subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV) (an overseas subsidiary of the Company) which are engaged in manufacturing and supplies of plastic parts and system modules for vehicle interiors and exteriors.
PKC	Represents PKC Group Plc including its subsidiaries. PKC is engaged in designing, manufacturing and integrating electrical distribution systems, electronics and related components for commercial vehicle industries, rolling stock manufacturers and other related segments.
Others	Comprise other subsidiaries of the Company (excluding SMR, SMP and PKC defined above) that are below the thresholds for separate reporting as operating segments.

The CODM primarily uses a measure of revenue from operation and earnings before interest, tax, depreciation, amortisation and exceptional item (EBITDA) to assess the performance of the operating segments on monthly basis.

#### Unallocated:

Revenue, expenses, assets and liabilities have been identified to a segment on the basis of relationship to operating activities of the segment. Assets and liabilities which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed under unallocated.

#### Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

#### (b) Revenue from operation

Interest income, rental income, dividend income, income recognised on sales of assets and investment are excluded from segment revenue. Transactions between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>Revenue from operation</b>		
SAMIL Standalone	53,448	36,692
SMR	114,950	113,630
SMP	321,289	306,476
PKC	108,331	90,056
Others	55,794	41,286
<b>Total</b>	<b>653,812</b>	<b>588,140</b>
Segment revenue from discontinued operation (SAMIL Standalone segment) (refer note 51)	39,735	41,382
<b>Less: Intersegment</b>	<b>32,026</b>	<b>27,568</b>
<b>Total revenue from operation as per statement of profit and loss</b>	<b>661,521</b>	<b>601,954</b>
<b>Disaggregated revenue from external customer information</b>		
<b>Continuing operations</b>		
India	82,373	31,308
Germany	129,729	128,390
Spain	25,858	28,140
USA	115,515	91,196
China	64,655	68,898
Others*	203,774	212,993
<b>Discontinued operations (refer note 51)</b>		
India	39,568	40,996
China	43	24
Others*	6	9
	<b>661,521</b>	<b>601,954</b>

\* None of the other countries contribute materially to the revenue of the group.

#### Type of goods or Services

	As at March 31, 2022	As at March 31, 2021
<b>Continuing operations</b>		
Sales of Components	563,970	509,161
Tool development	44,169	42,226
Assembly of components	2,088	2,176
Others operating revenue	4,661	3,176
<b>Discontinued operations (refer note 51)</b>		
Sales of Components	39,004	40,465
Assembly of components	181	282
Others operating revenue	6	67
<b>Total revenue from contracts with customers</b>	<b>654,079</b>	<b>597,554</b>

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(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>Timing of revenue recognition</b>		
<b>Continuing operations</b>		
As a point in time	573,820	514,852
Over a period of time	41,068	41,888
<b>Discontinued operations (refer note 51)</b>		
As a point in time	39,191	40,814
<b>Total revenue from contracts with customers</b>	<b>654,079</b>	<b>597,554</b>

**(c) EBITDA**

	As at March 31, 2022	As at March 31, 2021
SAMIL Standalone	7,345	4,892
SMR	10,400	12,209
SMP	20,182	17,932
PKC	4,442	5,827
Others	6,107	4,286
<b>Total</b>	<b>48,476</b>	<b>45,146</b>
EBITDA from discontinued operations (SAMIL Standalone segment) (refer note 51)	5,319	4,984
<b>Add: unallocated income / (expenses)</b>		
Dividend Income	6	0
Interest income from continuing and discontinued operations	1,173	658
Less: Intersegment	82	(80)
<b>Total EBITDA</b>	<b>54,892</b>	<b>50,868</b>
Depreciation	(29,964)	(29,764)
Finance costs	(5,426)	(5,113)
Company's share in net profit / (loss) of associates and joint ventures accounted for using the equity method	160	849
Income tax expense	(6,069)	694
Finance costs - discontinued operations	(93)	(89)
Income tax expense - discontinued operations	(1,204)	(1,129)
<b>Profit after tax</b>	<b>11,815</b>	<b>15,693</b>

Interest and dividend income was allocated to segment EBITDA, which is considered as unallocated income in above table. Previous year number is also reclassified based on new classification of segment EBITDA.

**(d) Segment Assets**

Segment assets are allocated based on the operations of the segment and the physical location of the asset. Assets not used directly in operations of the segment like investments, other common assets are reported as unallocated assets.

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	As at March 31, 2022	As at March 31, 2021
SAMIL Standalone	68,331	60,439
SMR	77,509	100,520
SMP	235,795	235,530
PKC	63,334	55,732
Others	142,227	149,184
<b>Total</b>	<b>587,196</b>	<b>601,405</b>
Add: Discontinued operation (SAMIL Standalone segment) (refer note 51)	-	17,530
Less: Intersegment	108,347	160,160
<b>Unallocated:</b>		
Deferred Tax	11,486	10,224
Non-current Tax	2,507	1,843
Deferred Tax - discontinued operations	-	259
Other corporate assets and investments	69,859	9,747
<b>Total</b>	<b>562,701</b>	<b>480,850</b>

Total of non-current assets other than financial instruments, investments accounted for using equity methods and deferred tax assets broken down by location of the assets, is shown below

	As at March 31, 2022	As at March 31, 2021
India	41,988	24,564
Germany	37,008	42,716
Spain	10,047	11,741
USA	26,554	27,005
China	18,565	13,557
Others*	106,814	104,011
	<b>240,976</b>	<b>223,594</b>

\* None of the other countries contribute materially to the non-current assets other than financial instruments, investments accounted for using equity methods and deferred tax assets of the group.

**Capital expenditure**

	As at March 31, 2022	As at March 31, 2021
SAMIL Standalone	2,581	1,904
SMR	2,852	2,796
SMP	13,129	11,342
PKC	3,852	2,989
Others	1,949	294
	<b>24,363</b>	<b>19,325</b>

**(e) Segment liabilities**

Segment liabilities are allocated based on the operations of the segment. Liabilities not used directly in operations of the segment common liabilities like borrowings are reported as unallocated liabilities.

	As at March 31, 2022	As at March 31, 2021
SAMIL Standalone	68,168	59,590
SMR	50,845	48,826
SMP	188,700	216,582
PKC	43,209	36,068
Others	34,831	38,726
<b>Total</b>	<b>385,753</b>	<b>399,792</b>
Add: Discontinued operation (SAMIL Standalone segment) (refer note 51)	-	8,353
Less: Intersegment	107,072	159,792
Deferred Tax	5,445	3,363
Current Tax	3,901	3,342
Other common / unallocated liabilities	51,028	59,953
<b>Total</b>	<b>339,055</b>	<b>315,011</b>

**42. Capital and Other Commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at March 31, 2022	As at March 31, 2021
<b>Property, plant and equipment</b>		
Estimated value of contracts in capital account remaining to be executed, (Net of Advances of ₹ 2,238 million (March 31, 2021: ₹ 1,302 million))	3,514	4,580
Estimated value of contracts of discontinued operations in capital account remaining to be executed, (net of advances of Nil (March 31, 2021: ₹ 8 million))	-	135
<b>Total</b>	<b>3,514</b>	<b>4,715</b>
<b>Other Commitments</b>		
Bank Guarantee	493	315
Others	135	72

Above commitments on property, plant and equipment includes group share of commitments of associates and joint ventures entities.

For capital expenditure contracted relating to associates and joint ventures refer to note 48

**43. Contingent Liabilities:**

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

**Claims against the Group not acknowledged as debts**

	As at March 31, 2022	As at March 31, 2021
Excise, sales tax and service tax matters #	147	95
Other tax matters	94	83
Claims made by workmen	229	169
Income tax matters	326	150
Unfulfilled export commitment under EPCG scheme	9	28
Others (refer note 'c' below)	3,380	2,821

# Against which Group has given bank guarantees amounting to ₹ 2 million (March 31, 2021 : Nil)

- The Group does not expect any reimbursements in respect of the above contingent liabilities.
- It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Group has acted as surety in respect of subsidy received by one of its subsidiary, which limits the total liability of the Group to 1.2x of the amount of subsidy granted. As per the conditions of subsidy received from the local government the subsidiary is required to incur certain level of capital expenditure along with maintaining the headcount at certain level for a period of 5 years. As of March 31, 2022, both the conditions have been fulfilled however headcount level needs to be sustained for 5 years therefore the Group may be contingently liable for ₹ 2,463 million (March 31, 2021: ₹ 2,518 million) in the event of non-compliance of subsidy conditions by the subsidiary in the future.
- Above contingent liability includes group share of contingent liability of the associates and joint ventures entities.

For contingent liabilities relating to associates and joint ventures refer to note 48

**44. Assets pledged as security**

The carrying amount of assets pledged as security for current and non-current borrowings are

	As at March 31, 2022	As at March 31, 2021
<b>Current:</b>		
<b>Financial assets</b>		
Cash and cash equivalents	15,320	21,330
Inventories	20,456	24,787
Receivables	32,582	23,598
Other current assets	12,062	18,527
<b>Total current assets pledged as security</b>	<b>80,420</b>	<b>88,242</b>



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	As at March 31, 2022	As at March 31, 2021
<b>Non Current:</b>		
Freehold land	219	3,035
Buildings	3,290	28,182
Plant & Machinery	41,989	39,042
Investment Property	257	835
Other non current assets	7,908	8,087
Investment accounted as per equity methods	13,046	-
<b>Total non current assets pledged as security</b>	<b>66,709</b>	<b>79,182</b>
<b>Total assets pledged as security</b>	<b>147,129</b>	<b>167,424</b>

Further, loan amounting to Nil (March 31, 2021: ₹ 12,010 million) has been obtained against security of pledge of shares of an overseas subsidiary company which has been eliminated on consolidation and additional loan amounting ₹ 9,468 million (March 31, 2021: ₹ 8,457 million) loan has been taken during the financial year for which, pledge of shares of same subsidiary is to be created.

**45. Ind AS 115 Revenue from contracts with customers**

The transaction price allocated to the remaining performance obligations related to tool development (unsatisfied or partially unsatisfied) are, as follows:

	As at March 31, 2022	As at March 31, 2021
Within one year	32,889	31,087
More than one year	32,533	30,199
<b>Total</b>	<b>65,422</b>	<b>61,286</b>

Table below provides information on revenue recognised from :

	As at March 31, 2022	As at March 31, 2021
Amounts included in contract liabilities at the beginning of the year	5,125	5,543
Performance obligations partly satisfied in previous years	16,641	19,289

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	As at March 31, 2022	As at March 31, 2021
Receivables	80,247	71,877
Contract assets	27,920	22,041
Contract liabilities	8,561	6,097

Contract assets are initially recognised for revenue earned from development of tools and secondary equipment as receipt of consideration is conditional on successful completion and acceptance by the customer. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The expected credit loss on contract assets is considered very low and hence no provision for credit loss is recorded in respect of contract assets.

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**46. Ind AS 116 Leases**

The Group elected to apply Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 01, 2019, using the modified retrospective method. The Group assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Group recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	3,618	3,242
Non-current lease liabilities	10,070	9,422
	<b>13,688</b>	<b>12,664</b>

Refer note 37 (C) for maturity analysis of lease liabilities and note 3 (b) for right-to-use assets recognised. The Company has total cash outflow of ₹ 3,391 million (March 31, 2021: ₹ 4,624 million).

**Amount recognised in Statement of Profit and Loss during the year:**

	As at March 31, 2022	As at March 31, 2021
Interest expense on lease liabilities (included in finance cost)	769	760
Depreciation of Right of Use assets	4,113	4,283
Lease expense derecognised	3,391	4,624
Short term and low value lease payments	3,050	2,411

**47. Hyperinflation**

With the effect from July 1, 2018, the Argentine economy was considered to be hyperinflationary in accordance with the criteria in Ind AS 29 "Financial Reporting in Hyperinflationary Economies" ("Ind AS 29"). This standard requires that the entity or components financial information whose functional currency is that of an economy considered hyperinflationary be restated using a general price index that reflects changes in general purchasing power. The inflation index used in Argentina was a synthetic index with the following characteristics: i) The Internal Wholesale Price Index (IPIM) until December 2016 and ii) after that date, the National Consumer Price Index (IPC). Additionally, due to the lack of national index on November and December 2015, Consumer Price Index of City of Buenos Aires (IPC CABA) was used.

The results and financial position of Argentine subsidiary SMRC Automotive Tech Argentina S.A., whose functional currency is the currency of a hyperinflationary economy, are first restated in accordance with Ind AS 29 and are then translated into the presentation currency.

All balance sheet items of Argentine subsidiary have been segregated into monetary and nonmonetary items. Monetary items are units of currency held, and assets and liabilities to be received or paid, in fixed or determinable number of units of currency. These monetary items are not restated because they are already expressed in terms of the current monetary unit. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power, and an entity with an excess of monetary liabilities over monetary assets gains purchasing power, to the extent the assets and liabilities are not linked to a price level. The gain or loss on the net monetary position is included in profit or loss. The effect of inflation on the net monetary position of the Argentine subsidiary for the year ended March 31, 2022 has been a gain of ₹ 19 million (March 31, 2021: gain of ₹ 85 million).

Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit) are restated by applying the relevant index. After the Ind AS 29 restatement of nonmonetary assets, it is necessary to consider whether the restated amount of the asset might exceed its recoverable amount. Additionally, the

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application of Ind AS 29 results in the creation of temporary differences because while the book value of non-monetary assets is adjusted for inflation but not equivalent adjustment is made for tax purpose; the effect of such a temporary difference is a deferred tax liability.

### 48. Interest in other entities

#### A. Details of subsidiaries which have been consolidated are as follows:

S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
1	MSSL Mauritius Holdings Limited (MMHL)	Mauritius	100%	100%	0%	0%	March 31, 2022
2	Motheron Electrical Wires Lanka Private Limited	Sri Lanka	100%	100%	0%	0%	March 31, 2022
3	MSSL Mideast (FZE)	UAE	100%	100%	0%	0%	March 31, 2022
4	MSSL (S) Pte Limited	Singapore	100%	100%	0%	0%	March 31, 2022
5	Motheron Innovations Tech Limited (esrt MSSL Automobile Component Limited)	India	100%	100%	0%	0%	March 31, 2022
6	Samvardhana Motheron Polymers Limited (SMPL)	India	100%	51%	0%	49%	March 31, 2022
7	MSSL (GB) Limited (Jointly held by the Company and MSSL Mideast (FZE))	UK	100%	100%	0%	0%	March 31, 2022
8	Motheron Wiring System (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	0%	0%	March 31, 2022
9	MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	0%	0%	March 31, 2022
10	MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%	100%	0%	0%	March 31, 2022
11	Samvardhana Motheron Invest Deutschland GmbH (held by MSSL GmbH)	Germany	100%	100%	0%	0%	March 31, 2022
12	MSSL Advanced Polymers s.r.o. (held by MSSL GmbH)	Czech Republic	100%	100%	0%	0%	March 31, 2022
13	Motheron Techno Precision GmbH (held by MSSL GmbH)	Germany	100%	100%	0%	0%	March 31, 2022

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S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
14	MSSL s.r.l. Unipersonale (held by MSSL (GB) Limited)	Italy	100%	100%	0%	0%	March 31, 2022
15	Motheron Techno Precision México, S.A. de C.V (held by Motheron Techno Precision GmbH)	Mexico	100%	100%	0%	0%	March 31, 2022
16	MSSL Manufacturing Hungary Kft (held by MSSL GMBH)	Hungary	100%	100%	0%	0%	March 31, 2022
17	Motheron Air Travel Pvt Ltd (held by MSSL Mideast (FZE))	Ireland	100%	100%	0%	0%	March 31, 2022
18	MSSL Australia Pty Limited (held by MSSL Mauritius Holdings Limited)	Australia	80%	80%	20%	20%	March 31, 2022
19	Motheron Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	0%	0%	March 31, 2022
20	Motheron Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	0%	0%	March 31, 2022
21	MSSL Ireland Private Limited (held by MSSL (GB) Limited)	Ireland	100%	100%	0%	0%	March 31, 2022
22	MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%	100%	0%	0%	March 31, 2022
23	MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%	100%	0%	0%	March 31, 2022
24	Vacuform 2000 (Proprietary) Limited (held by MSSL Mauritius Holdings Limited)	South Africa	51%	51%	49%	49%	March 31, 2022
25	MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Mexico	100%	100%	0%	0%	March 31, 2022
26	MSSL WH System (Thailand) Co., Ltd (held by MSSL (S) Pte. Ltd.)	Thailand	100%	100%	0%	0%	March 31, 2022
27	MSSL Korea WH Limited (held by MSSL (S) Pte. Ltd.)	South Korea	100%	100%	0%	0%	March 31, 2022

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S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
28	MSSL Consolidated Inc. (held by MSSL (GB) Ltd.)	USA	100%	100%	0%	0%	March 31, 2022
29	MSSL Wiring System Inc (held by MSSL Consolidated Inc.)	USA	100%	100%	0%	0%	March 31, 2022
30	Alphabet de Mexico, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2022
31	Alphabet de Mexico de Monclova, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2022
32	Alphabet de Saltillo, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2022
33	MSSL Wirings Juarez, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2022
34	Samvardhana Motherson Global Holdings Ltd. (SMGHL) (jointly held by MSSL Mauritius Holdings Limited & Samvardhana Motherson Holding (M) Pvt. Ltd.)	Cyprus	100%	51%	0%	49%	March 31, 2022
35	Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV) (held by SMGHL and SMPL)	Netherlands	100%	100%	0%	0%	March 31, 2022
36	Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by SMRPBV)	Jersey	98.45%	98.45%	1.55%	1.55%	March 31, 2022
37	SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%	100%	0%	0%	March 31, 2022
38	SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	UK	100%	100%	0%	0%	March 31, 2022
39	SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	100%	0%	0%	March 31, 2022

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S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
40	SMR Automotive Systems India Limited (Jointly held by the Company and SMR Automotive Technology Holding Cyprus Limited)	India	100%	100%	0%	0%	March 31, 2022
41	SMR Automotive Systems France S.A. (held by SMR Automotive Technology Holding Cyprus Limited)	France	100%	100%	0%	0%	March 31, 2022
42	SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR Automotive Technology Holding Cyprus Limited)	Hungary	100%	100%	0%	0%	March 31, 2022
43	SMR Patents S.à.r.l. (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Luxembourg	100%	100%	0%	0%	March 31, 2022
44	SMR Automotive Technology Valencia S.A.U. (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Spain	100%	100%	0%	0%	March 31, 2022
45	SMR Automotive Mirrors UK Limited (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	UK	100%	100%	0%	0%	March 31, 2022
46	SMR Automotive Mirror International USA Inc. (held by SMR Mirrors UK Limited)	USA	100%	100%	0%	0%	March 31, 2022
47	SMR Automotive Systems USA Inc. (held by SMR Automotive Mirror International USA Inc.)	USA	100%	100%	0%	0%	March 31, 2022
48	SMR Automotive Beijing Company Limited (held by SMR Automotive Holding Hong Kong Limited)	China	100%	100%	0%	0%	March 31, 2022
49	SMR Automotive Yancheng Co. Limited (held by SMR Automotive Holding Hong Kong Limited)	China	100%	100%	0%	0%	March 31, 2022



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S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
50	SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Germany	100%	100%	0%	0%	March 31, 2022
51	SMR Holding Australia Pty Limited (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Australia	100%	100%	0%	0%	March 31, 2022
52	SMR Automotive Australia Pty Limited (held by SMR Holding Australia Pty Ltd.)	Australia	100%	100%	0%	0%	March 31, 2022
53	SMR Automotive Mirror Technology Hungary BT (held by SMR Automotive Technology Holding Cyprus Limited)	Hungary	100%	100%	0%	0%	March 31, 2022
54	Motherson Business Service Hungary Kft. (held by SMR Automotive Mirror Technology Hungary BT)	Hungary	100%	100%	0%	0%	March 31, 2022
55	SMR Automotive Modules Korea Ltd. (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	South Korea	100%	100%	0%	0%	March 31, 2022
56	SMR Automotive Beteiligungen Deutschland GmbH (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Germany	100%	100%	0%	0%	March 31, 2022
57	SMR Hyosang Automotive Ltd. (held by SMR Automotive Modules Korea Ltd.)	South Korea	100%	100%	0%	0%	March 31, 2022
58	SMR Automotive Mirrors Stuttgart GmbH (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Germany	100%	100%	0%	0%	March 31, 2022

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S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
59	SMR Automotive Systems Spain S.A.U (held by SMR Automotive Mirrors Stuttgart GmbH)	Spain	100%	100%	0%	0%	March 31, 2022
60	SMR Automotive Vision Systems Mexico S.A de C.V (Jointly held by SMR Automotive Mirrors Stuttgart GmbH and SMR Automotive Systems Spain S.A.U.)	Mexico	100%	100%	0%	0%	March 31, 2022
61	Samvardhana Motherson Corp Management Shanghai Co Ltd. (held by SMR Automotive Mirrors Stuttgart GmbH)	China	100%	100%	0%	0%	March 31, 2022
62	SMR Grundbesitz GmbH & Co. KG (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Germany	93.07%	93.07%	6.93%	6.93%	March 31, 2022
63	SMR Automotive Brasil Ltda. (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Brazil	100%	100%	0%	0%	March 31, 2022
64	SMR Automotive System (Thailand) Limited (held by SMR Automotive Technology Holding Cyprus Limited)	Thailand	100%	100%	0%	0%	March 31, 2022
65	SMR Automotives Systems Macedonia Dooel Skopje (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Macedonia	100%	100%	0%	0%	March 31, 2022
66	SMR Automotive Operations Japan K.K. (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Japan	100%	100%	0%	0%	March 31, 2022
67	SMR Automotive (Langfang) Co. Ltd (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	China	100%	100%	0%	0%	March 31, 2022

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S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
68	SMR Automotive Vision System Operations USA INC (held by SMR Automotive Mirror Parts and Holdings UK Ltd)	USA	100%	100%	0%	0%	March 31, 2022
69	SMR Mirror UK Limited (held by SMR Automotive Vision System Operations USA INC)	UK	100%	100%	0%	0%	March 31, 2022
70	Motherson Innovations Company Limited (held by SMR)	UK	100%	100%	0%	0%	March 31, 2022
71	Motherson Innovations Deutschland GmbH (held by Motherson Innovations Company Limited)	Germany	100%	100%	0%	0%	March 31, 2022
72	Motherson Innovations LLC (held by Motherson Innovations Company Limited)	USA	100%	100%	0%	0%	March 31, 2022
73	Samvardhana Motherson Global (FZE) (held by SMR)	UAE	100%	100%	0%	0%	March 31, 2022
74	SMR Automotive Industries RUS Limited Liability Company (jointly held by SMR Automotive Mirror Technology Holding Hungary Kft & SMR Automotive Technology Holding Cyprus Ltd.)	Russia	100%	100%	0%	0%	March 31, 2022
75	SMR Plast Met Molds and Tools Turkey Kalip İmalat Anonim Sirketi (held by SMR Automotive Mirrors Stuttgart GmbH)	Turkey	75%	0%	25%	0%	March 31, 2022
76	SMR Plast Met Automotive Tec Turkey Plastik İmalat Anonim Sirketi (held by SMR Automotive Mirrors Stuttgart GmbH)	Turkey	75%	0%	25%	0%	March 31, 2022
77	Samvardhana Motherson Peguform GmbH (SMP) (held by SMRPBV)	Germany	100%	100%	0%	0%	March 31, 2022

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
78	SMP Automotive Interiors (Beijing) Co. Ltd. (held by SMRPBV)	China	100%	100%	0%	0%	March 31, 2022
79	SMP Deutschland GmbH (held by Samvardhana Motherson Peguform GmbH and SMGHL)	Germany	100%	100%	0%	0%	March 31, 2022
80	SMP Logistik Service GmbH (held by SMP Deutschland GmbH)	Germany	100%	100%	0%	0%	March 31, 2022
81	SMP Automotive Solutions Slovakia s.r.o. (held by SMP Deutschland GmbH)	Slovakia	100%	100%	0%	0%	March 31, 2022
82	Changchun Peguform Automotive Plastics Technology Co., Ltd. (held by SMP Deutschland GmbH)	China	50% +1share	50% +1share	50% -1share	50% -1share	March 31, 2022
83	Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2022
84	Shenyang SMP Automotive Plastic Component Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2022
85	Tianjin SMP Automotive Component Company Limited (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2022
86	Shenyang SMP Automotive Trim Co., Ltd (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2022
87	SMP Automotive Technology Management Services (Changchun) Co. Ltd. (held by SMP Deutschland GmbH)	China	100%	100%	0%	0%	March 31, 2022

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(All amounts in ₹ Million, unless otherwise stated)

S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
88	SMP Automotive Technology Iberica S.L. (held by SMRPBV)	Spain	100%	100%	0%	0%	March 31, 2022
89	Samvardhana Motherson Peguform Barcelona S.L.U (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	0%	0%	March 31, 2022
90	SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	0%	0%	March 31, 2022
91	Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (held by SMP Automotive Technology Iberica S.L.)	Portugal	100%	100%	0%	0%	March 31, 2022
92	SMP Automotive Systems Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	0%	0%	March 31, 2022
93	SMP Automotive Produtos Automotivos do Brasil Ltda. (held by SMP Automotive Technology Iberica S.L.)	Brazil	100%-1share	100%-1share	0%	0%	March 31, 2022
94	SMP Automotive Exterior GmbH (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	0%	0%	March 31, 2022
95	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	0%	0%	March 31, 2022
96	Samvardhana Motherson Innovative Autosystems Holding Company BV (held by SMR)	Netherlands	100%	100%	0%	0%	March 31, 2022
97	SM Real Estate GmbH (held by SMGHL & SMP Automotive Exterior GmbH)	Germany	100%	100%	0%	0%	March 31, 2022
98	Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V. (held jointly by SMR & SMP)	Mexico	100%	100%	0%	0%	March 31, 2022

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(All amounts in ₹ Million, unless otherwise stated)

S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
99	SMP Automotive Systems Alabama Inc. (held by SMR Automotive Mirror International USA Inc.)	USA	100%	100%	0%	0%	March 31, 2022
100	Celulosa Fabril (Cefa) S.A. (held by SMP automotive technology Iberica S.L.)	Spain	50%	50%	50%	50%	March 31, 2022
101	Modulos Ribera Alta S.L.Unipersonal (held by Celulosa Fabril (Cefa) S.A.)	Spain	100%	100%	0%	0%	March 31, 2022
102	Motherson Innovations Lights GmbH & Co KG (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	0%	0%	March 31, 2022
103	Motherson Innovations Lights Verwaltungs GmbH (held by Motherson Innovations Lights GmbH & Co KG)	Germany	100%	100%	0%	0%	March 31, 2022
104	SMP Automotive Interior Modules d.o.o. Čuprija (held by SMRC Automotive Holdings Netherlands B.V.)	Serbia	100%	100%	0%	0%	March 31, 2022
105	MSSL Estonia WH OÜ (held by MSSL (GB) Limited)	Estonia	100%	100%	0%	0%	March 31, 2022
106	PKC Group Oy (held by MSSL Estonia WH OÜ)	Finland	100%	100%	0%	0%	March 31, 2022
107	PKC Wiring Systems Oy (held by PKC Group Oy)	Finland	100%	100%	0%	0%	March 31, 2022
108	PKC Group Poland Sp. z o.o. (held by PKC Eesti AS)	Poland	100%	100%	0%	0%	March 31, 2022
109	PKC Wiring Systems Llc (held by PKC Wiring Systems Oy)	Serbia	100%	100%	0%	0%	March 31, 2022
110	PKC Group APAC Limited (held by PKC Wiring Systems Oy)	Hong Kong	100%	100%	0%	0%	March 31, 2022
111	PKC Group Canada Inc. (held by PKC Wiring Systems Oy)	Canada	100%	100%	0%	0%	March 31, 2022
112	PKC Group USA Inc. (held by PKC Wiring Systems Oy)	USA	100%	100%	0%	0%	March 31, 2022



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(All amounts in ₹ Million, unless otherwise stated)

S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
113	PKC Group Mexico S.A. de C.V. (held by PKC Wiring Systems Oy)	Mexico	100%	100%	0%	0%	March 31, 2022
114	Project del Holding S.a.r.l. (held by PKC Wiring Systems Oy)	Luxembourg	100%	100%	0%	0%	March 31, 2022
115	PK Cables do Brasil Ltda (jointly held by PKC Wiring Systems Oy & Project Del Holding S.à.r.l.)	Brazil	100%	100%	0%	0%	March 31, 2022
116	PKC Eesti AS (held by PKC Wiring Systems Oy)	Estonia	100%	100%	0%	0%	March 31, 2022
117	TKV-sarjat Oy (held by PKC Wiring Systems Oy)	Finland	100%	100%	0%	0%	March 31, 2022
118	Motherson Rolling Stocks S. de R.L. de C.V. (Jointly held by TKV-sarjat Oy and MSSL (GB) Limited)	Mexico	100%	100%	0%	0%	March 31, 2022
119	PKC SEGU Systemelektrik GmbH (held by PKC Wiring Systems Oy)	Germany	100%	100%	0%	0%	March 31, 2022
120	Groclin Luxembourg S.à r.l. (held by PKC Group Poland Holding Sp. z o.o.)	Luxembourg	100%	100%	0%	0%	March 31, 2022
121	PKC Vehicle Technology (Suzhou) Co., Ltd. (held by PKC Group APAC Limited)	China	100%	100%	0%	0%	March 31, 2022
122	AEES Inc. (held by PKC Group USA Inc.)	USA	100%	100%	0%	0%	March 31, 2022
123	PKC Group Lithuania UAB (held by PKC Eesti AS)	Lithuania	100%	100%	0%	0%	March 31, 2022
124	PKC Group Poland Holding Sp. z o.o. (held by PKC Wiring Systems Oy)	Poland	100%	100%	0%	0%	March 31, 2022
125	OOO AEK (jointly held by PKC Eesti AS & TKV sarjat O)	Russia	100%	100%	0%	0%	March 31, 2022
126	Kabel-Technik-Polska Sp. z o.o. (held by Groclin Luxembourg S.à r.l.)	Poland	100%	100%	0%	0%	March 31, 2022

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
127	T.I.C.S. Corporation (held by AEES Inc.)	USA	100%	100%	0%	0%	March 31, 2022
128	AEES Power Systems Limited partnership (jointly held by T.I.C.S. Corporation & AEES Inc.)	USA	100%	100%	0%	0%	March 31, 2022
129	Fortitude Industries Inc. (held by AEES Inc.)	USA	100%	100%	0%	0%	March 31, 2022
130	AEES Manufactuera, S. De R.L. de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2022
131	Cableodos del Norte II, S. de R.L. de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2022
132	Manufacturas de Componentes Electricos de Mexico S. de R.L. de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2022
133	Arneses y Accesorios de México, S. de R.L. de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2022
134	Asesoría Mexicana Empresarial, S. de R.L. de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2022
135	Arneses de Ciudad Juarez, S. de R.L. de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2022
136	PKC Group de Piedras Negras, S. de R.L. de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2022
137	PKC Group AEES Commercial S. de R.L. de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2022
138	Jiangsu Huakai-PKC Wire Harness Co., Ltd. (held by PKC Group APAC Limited)	China	50%	50%	50%	50%	March 31, 2022
139	PKC Vehicle Technology (Hefei) Co, Ltd. (held by PKC Group APAC Limited)	China	50%	50%	50%	50%	March 31, 2022

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(All amounts in ₹ Million, unless otherwise stated)

S. No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
140	PKC Vehicle Technology (Fuyang) Co., Ltd. (held by PKC Vehicle Technology (Hefei) Co, Ltd.)	China	100%	100%	0%	0%	March 31, 2022
141	Shangdong Huakai-PKC Wire Harness Co., Ltd. (held by Jiangsu Huakai-PKC Wire Harness Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2022
142	Motherson Rolling Stock Systems GB Limited (held by Kabel Technik Polska Sp. z o.o.) (incorporated on February 01, 2019)	UK	100%	100%	0%	0%	March 31, 2022
143	Motherson PKC Harness Systems FZ-LLC (held by PKC Eesti AS) (incorporated on July 7, 2019)	UAE	100%	100%	0%	0%	March 31, 2022
144	Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	100%	100%	0%	0%	March 31, 2022
145	SMRC Automotive Holdings B.V. (held by SMRPBV, jointly held by SMRPBV and SMRC Automotive Interiors Management B.V. till March 24, 2021)	Netherlands	100%	100%	0%	0%	March 31, 2022
146	SMRC Automotive Holdings Netherlands B.V. (held by SMRC Automotive Holdings B.V.)	Netherlands	100%	100%	0%	0%	March 31, 2022
147	SMRC Automotives Techno Minority Holdings B.V. (held by SMRC Automotive Holdings Netherlands B.V.)	Netherlands	100%	100%	0%	0%	March 31, 2022
148	SMRC Smart Automotive Interior Technologies USA, LLC (liquidated w.e.f. May 07, 2021)	USA	100%	100%	0%	0%	March 31, 2022
149	SMRC Automotive Modules France SAS (held by SMRC Automotive Holdings Netherlands B.V.)	France	100%	100%	0%	0%	March 31, 2022

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(All amounts in ₹ Million, unless otherwise stated)

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			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
150	Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U. (held by SMRC Automotive Holdings Netherlands B.V.)	Spain	100%	100%	0%	0%	March 31, 2022
151	SMRC Automotive Interiors Spain S.L.U. (held by Reydel Automotive Holding Spain, S.L.U)	Spain	100%	100%	0%	0%	March 31, 2022
152	SMRC Automotive Interior Modules Croatia d.o.o (held by SMRC Automotive Holdings Netherlands B.V.)	Croatia	100%	100%	0%	0%	March 31, 2022
153	Samvardhana Motherson Reydel Autotecc Morocco SAS (held by SMRC Automotive Holdings Netherlands B.V.)	Morocco	100%	100%	0%	0%	March 31, 2022
154	SMRC Automotive Technology RU LLC (held by SMRC Automotive Holdings Netherlands B.V.)	Russia	100%	100%	0%	0%	March 31, 2022
155	SMRC Smart Interior Systems Germany GmbH (held by SMRC Automotive Holdings Netherlands B.V.)	Germany	100%	100%	0%	0%	March 31, 2022
156	SMRC Automotive Interiors Products Poland SA (liquidated w.e.f. April 06, 2021)	Poland	100%	100%	0%	0%	March 31, 2022
157	SMRC Automotive Solutions Slovakia s.r.o. (held by SMRC Automotive Holdings Netherlands B.V.)	Slovakia	100%	100%	0%	0%	March 31, 2022
158	SMRC Automotive Holding South America B.V. (held by SMRC Automotive Holdings Netherlands B.V.)	Netherlands	100%	100%	0%	0%	March 31, 2022
159	SMRC Automotive Modules South America Minority Holdings B.V. (held by SMRC Automotive Holdings Netherlands B.V.)	Netherlands	100%	100%	0%	0%	March 31, 2022

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			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
160	SMRC Automotive Tech Argentina S.A. (jointly held by SMRC Automotive Holding South America B.V. & SMRC Automotive Modules South America Minority Holdings B.V.)	Argentina	100%	100%	0%	0%	March 31, 2022
161	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda (held by SMRC Automotive Holding South America B.V.)	Brazil	100%	100%	0%	0%	March 31, 2022
162	SMRC Automotive Products India Limited (held by SMRC Automotive Holdings Netherlands B.V.)	India	100%	100%	0%	0%	March 31, 2022
163	SMRC Automotive Smart Interior Tech (Thailand)	Thailand	100%	100%	0%	0%	March 31, 2022
164	SMRC Automotive Interiors Japan Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)	Japan	100%	100%	0%	0%	March 31, 2022
165	Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)	China	100%	100%	0%	0%	March 31, 2022
166	PT SMRC Automotive Technology Indonesia (jointly held by SMRC Automotive Holdings Netherlands B.V. & SMRC Automotives Techno Minority Holdings B.V.)	Indonesia	100%	100%	0%	0%	March 31, 2022
167	Yujin SMRC Automotive Techno Corp. (held by SMRC Automotive Holdings Netherlands B.V.)	South Korea	50.9%	50.9%	49.1%	49.1%	March 31, 2022
168	SMRC Automotives Technology Phil Inc. (held by SMRC Automotive Holdings Netherlands B.V.)	Philippines	100%	100%	0%	0%	March 31, 2022

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			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
169	Motheron Ossia Innovations llc. (held by Motheron Innovations LLC)	USA	51%	51%	49%	49%	March 31, 2022
170	Re-time Pty Limited (held by SMR Automotive Australia Pty Limited)	Australia	71.4%	71.4%	28.6%	28.6%	March 31, 2022
171	Wisetime Oy (held by PKC Wiring Systems Oy) (become subsidiary w.e.f March 6, 2020)	Finland	100%	100%	0%	0%	March 31, 2022
172	Motheron Consultancies Service Limited	India	100%	-	0%	-	March 31, 2022
173	Samvardhana Motheron Finance Service Cyprus Limited	Cyprus	100%	-	0%	-	March 31, 2022
174	Samvardhana Motheron Holding (M) Private Limited	Mauritius	100%	-	0%	-	March 31, 2022
175	Samvardhana Motheron Auto Component Private Limited	India	100%	-	0%	-	March 31, 2022
176	MS Global India Automotive Private Limited	India	100%	-	0%	-	March 31, 2022
177	Samvardhana Motheron Maadhyam International Limited	India	100%	-	0%	-	March 31, 2022
178	Samvardhana Motheron Global Carriers Limited	India	100%	-	0%	-	March 31, 2022
179	Samvardhana Motheron Innovative Solutions Limited	India	100%	-	0%	-	March 31, 2022
180	Samvardhana Motheron Refrigeration Product Limited (held by Samvardhana Motheron Innovative Solutions Limited)	India	100%	-	0%	-	March 31, 2022
181	Motheron Machinery and Automations Limited (held by Samvardhana Motheron Innovative Solutions Limited)	India	100%	-	0%	-	March 31, 2022
182	Samvardhana Motheron Auto System Private Limited (held by Samvardhana Motheron Innovative Solutions Limited)	India	100%	-	0%	-	March 31, 2022



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			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
183	Motheron Sintermetal Technology B.V. (held by Samvardhana Motheron Innovative Solutions Limited)	Netherlands	100%	-	0%	-	March 31, 2022
184	Motheron Invenzen XLab Private Limited	India	100%	-	0%	-	March 31, 2022
185	Motheron Technology Services Limited (formerly known as MotheronSumi Infotech & Designs Limited)	India	62.9%	9.2%	37.1%	-	March 31, 2022
186	MSID US Inc (held by Motheron Technology Services Limited)	USA	100%	-	0%	-	March 31, 2022
187	MotheronSumi Infotek and Designs GmbH (held by Motheron Technology Services Limited)	Germany	100%	-	0%	-	March 31, 2022
188	MotheronSumi Infotech and Designs S.G. Pte. Limited (held by Motheron Technology Services Limited)	Singapore	100%	-	0%	-	March 31, 2022
189	MotheronSumi Infotech & Designs KK (held by MotheronSumi Infotech and Designs S.G. Pte. Limited)	Japan	85.7%	-	14.3%	-	March 31, 2022
190	Motheron Infotek Designs Mid East FZ-LLC (held by Motheron Technology Services Limited)	UAE	100%	-	0%	-	March 31, 2022
191	Motheron Infotech and Solutions UK Ltd (held by Motheron Technology Services Limited)	UK	100%	-	0%	-	March 31, 2022
192	Motheron Auto Engineering Service Limited (held by Motheron Technology Services Limited)	India	100%	-	0%	-	March 31, 2022
193	Samvardhana Motheron Health Solutions Limited (held by Motheron Technology Services Limited)	India	100%	-	0%	-	March 31, 2022

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(All amounts in ₹ Million, unless otherwise stated)

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			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
194	SMI Technologies Inc. (held by Motheron Technology Services Limited)	USA	100%	-	0%	-	March 31, 2022
195	Motheron Information Technologies Spain S.L.U. (held by Motheron Technology Services Limited)	Spain	100%	-	0%	-	March 31, 2022
196	Samvardhana Motheron Virtual Analysis Limited (held by Motheron Technology Services Limited)	India	100%	-	0%	-	March 31, 2022
197	SAKS Ancillaries Limited (held by Samvardhana Motheron Innovative Solutions Limited)	India	98.3%	40.2%	1.7%	-	March 31, 2022
198	Samvardhana Motheron Hamakyorex Engineered Logistics Limited	India	50%	-	50%	-	March 31, 2022
199	Motheron Techno Tools Limited (held by Samvardhana Motheron Innovative Solutions Limited)	India	60%	-	40%	-	March 31, 2022
200	Motheron Techno Tools Mideast FZE (held by Motheron Techno Tools Limited)	UAE	100%	-	0%	-	March 31, 2022
201	Motheron Molds and Diecasting Limited (jointly held by the Company and CTM India Limited)	India	71%	-	29%	-	March 31, 2022
202	Motheron Air Travel Agencies Limited	India	74%	-	26%	-	March 31, 2022
203	CTM India Limited	India	41%	-	59%	-	March 31, 2022
204	Motheron Sumi Wiring India Limited (refer note 51)	India	-	-	100%	0%	March 31, 2022
205	SMRC Automotive Interiors Management B.V. (held by SMRPBV) (liquidated w.e.f March 24, 2021)	Netherlands	-	0%	-	0%	March 31, 2022
206	MSSL M Tooling Ltd (liquidated w.e.f. 30.10.2020)	Mauritius	-	0%	-	0%	March 31, 2022

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**B. Non-controlling interests (NCI)**

Set out below the summarised financial information for subsidiary that has non-controlling interests that are material to the group.

	Samvardhana Motherson Automotive Systems Group B.V. & other step down non controlling interest	
	As at March 31, 2022	As at March 31, 2021
<b>Summarised balance sheet</b>		
Current assets	128,460	131,017
Current liabilities	143,569	139,672
<b>Net current assets</b>	<b>(15,109)</b>	<b>(8,655)</b>
Non-current assets	173,428	173,692
Non-current liabilities	85,213	95,879
<b>Net non-current assets</b>	<b>88,215</b>	<b>77,813</b>
<b>Net Assets</b>	<b>73,106</b>	<b>69,158</b>
<b>Accumulated Non controlling Interest</b>	<b>9,441</b>	<b>35,523</b>
<b>Summarised statement of profit and loss</b>		
Revenue	438,184	421,444
Profit for the year	4,095	7,539
Other comprehensive income	1,936	935
<b>Total comprehensive income</b>	<b>6,031</b>	<b>8,474</b>
Profit allocated to non controlling interest	3,136	4,731
Dividend paid to NCI	1,627	1,503

	Samvardhana Motherson Automotive Systems Group B.V.	
	As at March 31, 2022	As at March 31, 2021
<b>Summarised cash flows</b>		
Cash flows from operating activities	38,030	38,882
Cash flows from investing activities	(13,015)	(13,438)
Cash flows from financing activities	(17,173)	(17,730)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>7,842</b>	<b>7,714</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**C. Interest in associates companies consolidated using equity method of accounting**

Name of the Company	Country of Incorporation	% of ownership interest March 31, 2022	Quoted fair value		Carrying amount	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
SAKS Ancillaries Limited (refer note 51)	India			-*	-	44
Hubei Zhengao PKC Automotive Wiring Company Ltd. (held by PKC Group APAC Limited)	China	40%	-*	-*	954	1,074
AES (India) Engineering Limited (held by Samvardhana Motherson Innovative Solutions Limited)	India	26%	-*		46	-

\* Unlisted entity - no quoted price available

**D. Interest in Joint ventures companies consolidated using equity method of accounting**

Name of the Company	Country of Incorporation	% of ownership interest March 31, 2022	Quoted fair value		Carrying amount	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Kyungshin Industrial Motherson Private Limited	India	50%	-*	-*	1,045	2,060
Calsonic Kansei Motherson Auto Products Private Limited	India	49%	-*	-*	778	745
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR Automotive Mirror Systems Holding Deutschland GmbH) (Includes Chongqing SMR Huaxiang Automotive Products Limited, Tianjin SMR Huaxiang Automotive Part Co. Limited & Nanchang JMCG SMR Huaxiang Mirror Co. Ltd) <sup>1</sup>	China	50%	-*	-*	3,796	3,243
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Slovakia	49%	-*	-*	-	(0)
Motherson Sumi Wiring India Limited	India	33%	68,043	-	36,651	-
Anest Iwata Motherson Coating Equipment Private Limited (through Samvardhana Motherson Innovative Solutions Limited)	India	49%	-*	-	399	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Name of the Company	Country of Incorporation	% of ownership interest March 31, 2022	Quoted fair value		Carrying amount	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Anest Iwata Motherson Private Limited (through Samvardhana Motherson Innovative Solutions Limited)	India	49%	-*	-	1,526	-
Marelli Motherson Automotive Lighting India Private Ltd.	India	50%	-*	-	10,417	-
Marelli Motherson Auto Suspension Parts Pvt Ltd	India	50%	-*	-	1,279	-
Valeo Motherson Thermal Commercial Vehicles India Limited	India	49%	-*	-	1,037	-
Matsui Technologies India Limited	India	50%-1share	-*	-	1,204	-
Frigel Intelligent Cooling Systems India Private Limited (held by Matsui Technologies India Limited) <sup>2</sup>	India	25%	-*	-	25	-
Fritzmeier Motherson Cabin Engineering Private Limited	India	50%	-*	-	1,201	-
Nissan Advanced Coating Indo Co. Private Limited (through Samvardhana Motherson Innovative Solutions Limited)	India	49%	-*	-	70	-
Motherson Bergstrom HVAC Solutions Private Limited	India	50%	-*	-	71	-
Motherson Auto Solutions Limited (through Samvardhana Motherson Innovative Solutions Limited)	India	66%	-*	-	2,046	-
Youngshin Motherson Auto Tech Limited	India	50%	-*	-	103	-

\* Unlisted entity - no quoted price available

- Chongqing SMR Huaxiang Automotive Products Limited is 100% subsidiary of Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd., Tianjin SMR Huaxiang Automotive Part Co. Limited is 100% subsidiary of Chongqing SMR Huaxiang Automotive Products Limited. & Nanchang JMCG SMR Huaxiang Mirror Co. Ltd is 60% subsidiary of Ningbo Huaxiang Automotive Mirrors Co. Ltd.
- Matsui Technologies India Limited holds 50% shares in Frigel Intelligent Cooling Systems India Private Limited. Effective holding to the group is 25%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**E. Summarised financial information of joint ventures**

The table below provide summarised financial information for those joint venture that are material to the group.

Summarised balance sheet	Kyungshin Industrial Motherson Private Limited		Calsonic Kansei Motherson Auto Products Private Limited		Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Current assets</b>						
Cash and cash equivalents	0	545	17	260	3,382	2,961
Other assets	5,121	6,496	2,315	1,830	9,760	7,255
<b>Total current assets</b>	<b>5,121</b>	<b>7,041</b>	<b>2,332</b>	<b>2,090</b>	<b>13,142</b>	<b>10,216</b>
<b>Total non-current assets</b>	<b>2,125</b>	<b>2,289</b>	<b>1,449</b>	<b>1,587</b>	<b>3,054</b>	<b>2,688</b>
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)	331	328	321	358	169	-
Other liabilities	4,509	4,440	1,475	1,271	7,936	6,228
<b>Total current liabilities</b>	<b>4,840</b>	<b>4,768</b>	<b>1,796</b>	<b>1,629</b>	<b>8,105</b>	<b>6,228</b>
<b>Total non-current liabilities</b>	<b>316</b>	<b>440</b>	<b>430</b>	<b>527</b>	<b>400</b>	<b>191</b>
Consolidation adjustments and currency translation adjustment	-	-	-	-	(100)	(0)
<b>Net assets</b>	<b>2,090</b>	<b>4,122</b>	<b>1,555</b>	<b>1,521</b>	<b>7,591</b>	<b>6,485</b>
<b>Reconciliation to carrying amounts:</b>						
<b>Opening net assets</b>	<b>4,121</b>	<b>4,151</b>	<b>1,521</b>	<b>1,399</b>	<b>6,485</b>	<b>4,791</b>
Profit for the year	(2,023)	(46)	152	135	1,595	1,446
Impairment / Consolidation adjustments	-	-	(119)	-	-	-
Other comprehensive income	(8)	16	1	(13)	-	-
Exchange gain / (loss)	-	-	-	-	(1,601)	248
Dividend paid	-	(0)	-	-	1,112	-
<b>Closing net assets</b>	<b>2,090</b>	<b>4,121</b>	<b>1,555</b>	<b>1,521</b>	<b>7,591</b>	<b>6,485</b>
Group's share in %	50%	50%	49%	49%	50%	50%
Group's share in ₹	1,045	2,060	778	745	3,796	3,243
<b>Carrying amount</b>	<b>1,045</b>	<b>2,060</b>	<b>778</b>	<b>745</b>	<b>3,796</b>	<b>3,243</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Summarised balance sheet	Kyungshin Industrial Motherson Private Limited		Calsonic Kansei Motherson Auto Products Private Limited		Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Summarised statement of profit and loss</b>						
Revenue	14,566	14,550	5,784	4,659	21,151	19,547
Interest income	29	203	9	68	64	26
Depreciation and amortisation	303	257	391	431	570	490
Interest expense	35	38	51	77	8	1
Income tax expense	1	54	54	46	169	214
Profit from continuing operation	(2,023)	(46)	152	135	1,595	1,446
Other comprehensive income	(8)	16	1	(13)	-	-
<b>Total comprehensive income</b>	<b>(2,031)</b>	<b>(30)</b>	<b>153</b>	<b>122</b>	<b>1,595</b>	<b>1,446</b>

Summarised balance sheet	Eissmann SMP Automotive Interieur Slovensko s.r.o		Marelli Motherson Automotive Lighting India Private Ltd.	Motherson Auto Solutions Limited	Motherson Sumi Wiring India Limited
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2022	March 31, 2022
<b>Current assets</b>					
Cash and cash equivalents	1	0	724	234	2,933
Other assets	647	828	4,320	3,338	16,794
<b>Total current assets</b>	<b>648</b>	<b>829</b>	<b>5,044</b>	<b>3,572</b>	<b>19,727</b>
<b>Total non-current assets</b>	<b>439</b>	<b>613</b>	<b>3,275</b>	<b>294</b>	<b>5,890</b>
<b>Current liabilities</b>					
Financial liabilities (excluding trade payables)	-	-	368	4	2,296
Other liabilities	994	1,223	3,132	27	9,655
<b>Total current liabilities</b>	<b>994</b>	<b>1,223</b>	<b>3,500</b>	<b>31</b>	<b>11,951</b>
<b>Total non-current liabilities</b>	<b>12</b>	<b>0</b>	<b>129</b>	<b>26</b>	<b>2,520</b>
Consolidation adjustments and currency translation adjustment	-	(219)	16,143	(710)	98,488
<b>Net assets</b>	<b>81</b>	<b>(0)</b>	<b>20,833</b>	<b>3,099</b>	<b>109,634</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

Summarised balance sheet	Eissmann SMP Automotive Interieur Slovensko s.r.o		Marelli Motherson Automotive Lighting India Private Ltd.	Motherson Auto Solutions Limited	Motherson Sumi Wiring India Limited
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2022	March 31, 2022
<b>Reconciliation to carrying amounts:</b>					
<b>Opening net assets</b>	<b>(0)</b>	<b>545</b>	-	-	-
Fair value of assets as on date of acquisition			20,446	3,103	109,644
Profit for the year	(138)	(353)	384	(4)	26
Impairment/Consolidation adjustments	(81)	(213)	-	-	-
Other comprehensive income	-	-	3	0	(36)
Exchange gain / (loss)	219	21	-	-	-
<b>Closing net assets</b>	<b>0</b>	<b>(0)</b>	<b>20,833</b>	<b>3,099</b>	<b>109,634</b>
Group's share in %	49%	49%	50%	66%	33.43%
Group's share in ₹	0	(0)	10,417	2,046	36,651
<b>Carrying amount</b>	<b>0</b>	<b>(0)</b>	<b>10,417</b>	<b>2,046</b>	<b>36,651</b>
<b>Summarised statement of profit and loss</b>					
Revenue	4,463	5,054	3,571	8	16,615
Interest income	-	-	5	3	17
Depreciation and amortisation	170	177	222	3	1,259
Interest expense	-	2	3	1	192
Income tax expense	-	-	127	(2)	151
Profit from continuing operation	(138)	(353)	384	(4)	26
Other comprehensive income	-	-	3	0	(36)
<b>Total comprehensive income</b>	<b>(138)</b>	<b>(353)</b>	<b>387</b>	<b>(4)</b>	<b>(10)</b>

\*Summarised statement of profit and loss amount is relating to post acquisition period, as considered in consolidated financial statements.

**F. Individually immaterial Joint Ventures**

The group has interests in a number of individually immaterial Joint Venture that are accounted for using equity method. The group share of investment and profit is disclosed below.

	As at March 31, 2022	As at March 31, 2021
Aggregate carrying amount of individually immaterial associates	6,484	-
<b>Aggregate amounts of the group's share of:</b>		
Profit / (loss) from continuing operations	25	-

**F. Summarised financial information of Associate**

The table below provide summarised financial information for associate that is material to the group.

Summarised balance sheet	Hubei Zhengao PKC Automotive Wiring Company Ltd.	
	As at March 31, 2022	As at March 31, 2021
Current assets	3,683	5,099
Non-current assets	371	405
<b>Total assets</b>	<b>4,054</b>	<b>5,504</b>
Non-current liabilities	1	0
Current liabilities	1,604	2,810
<b>Total liabilities</b>	<b>1,604</b>	<b>2,810</b>
<b>Net assets</b>	<b>2,450</b>	<b>2,694</b>
Group Share %	40%	40%
<b>Reconciliation to carrying amounts:</b>		
<b>Opening net assets</b>	<b>1,074</b>	<b>875</b>
Investment during the year	-	-
Profit for the year	50	358
Exchange gain / (loss)	(401)	(9)
Dividend paid	231	(150)
<b>Carrying amount</b>	<b>954</b>	<b>1,074</b>

**G. Individually immaterial associates**

The group has interests in a number of individually immaterial associates that are accounted for using equity method. The group share of investment and profit is disclosed below.

	As at March 31, 2022	As at March 31, 2021
Aggregate carrying amount of individually immaterial associates	46	44
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	2	2

**H. Commitments and contingent liabilities in respect of associates and joint ventures**

	As at March 31, 2022	As at March 31, 2021
<b>Share of joint venture's contingent liabilities in respect of:</b>		
Excise matters	45	42
Other tax matters	24	-
Income tax matters	43	-
Unfulfilled export commitments under EPCG Scheme	-	28
Others	2	13
<b>Commitments - joint ventures</b>		
Share of joint venture's estimated value of contracts in capital account remaining to be executed, (Net of Advances)	280	50

**49. Statutory group information required by Schedule III**

Sl No.	Name of entity	March 31, 2022				March 31, 2021			
		Net Assets' As a % of Consolidated Net Asset	Share in profit or (loss) <sup>1</sup> Amount	Share in other comprehensive income <sup>1</sup> As a % of Consolidated Profit / (loss)	Share in total comprehensive income <sup>1</sup> Amount	Net Assets' As a % of Consolidated Net Asset	Share in profit or (loss) <sup>1</sup> Amount	Share in other comprehensive income <sup>1</sup> As a % of Consolidated Profit / (loss)	Share in total comprehensive income <sup>1</sup> Amount
	<b>Subsidiaries:</b>								
	<b>Indian:</b>								
2	Samvardhana Motherson Polymers Limited	0*	529	0*	(0)	0*	529	0*	(0)
3	Motherson Innovations Tech Limited (est. MSSSL Automobile Component Limited)	0*	8	0*	5	0*	3	0*	1
4	SMR Automotive Systems India Ltd.	1	3,060	2	277	(2)	(48)	2	228
5	SMRC Automotive Products India Limited	1	1,663	1	172	0*	(6)	1	166
6	Motherson Sumi Wiring India Limited	-	-	0*	-	-	-	0*	0
7	Samvardhana Motherson Innovative Solutions Limited	3	7,729	0*	(68)	0*	1	0*	(57)
8	Samvardhana Motherson Auto System Private Limited	0*	(93)	0*	7	0*	0	0*	7
9	SAKS Ancillaries Limited	0*	118	0*	1	-	-	0*	1
10	Motherson Machinery and Automations Limited	0*	13	0*	1	0*	0	0*	1
11	Samvardhana Motherson Refrigeration Product Limited	0*	(289)	0*	(5)	-	-	0*	(5)
12	Motherson Consultancies Service Limited	0*	79	0*	8	0*	1	0*	9
13	Motherson Molds and Diecasting Limited	0*	150	0*	(14)	0*	(0)	0*	(15)
14	Samvardhana Motherson Auto Component Private Limited	0*	(547)	0*	(57)	0*	0	0*	(57)

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(All amounts in ₹ Million, unless otherwise stated)

SI No.	Name of entity	March 31, 2022						March 31, 2021							
		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>			
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)			
15	MS Global India Automotive Private Limited	0*	(585)	0*	(42)	0*	4	0*	(38)						
16	Samvardhana Motherson Global Carriers Limited	0*	334	0*	(18)	0*	(0)	0*	(19)						
17	Samvardhana Motherson Hamkyorex Engineered Logistics Limited	0*	702	0*	(9)	0*	0	0*	(9)						
18	Samvardhana Motherson Meadhym International Limited	0*	(17)	0*	(0)	-	-	0*	(0)						
19	Motherson Invenzen XLab Private Limited	0*	(318)	0*	(5)	0*	0	0*	(5)						
20	CTM India Limited	0*	1,075	0*	(2)	0*	1	0*	(0)						
21	Motherson Air Travel Agencies Limited	0*	360	0*	14	0*	0	0*	14						
22	Motherson Technology Services Limited (formerly known as MothersonSumi Intotech & Designs Limited)	0*	429	3	382	(1)	(16)	3	366						
23	Motherson Auto Engineering Service Limited	0*	2	0*	0	-	-	0*	0						
24	Samvardhana Motherson Virtual Analysis Limited	0*	10	0*	(0)	-	-	0*	(0)						
25	Samvardhana Motherson Health Solutions Limited	0*	(186)	1	67	0*	0	0*	67						
26	Motherson Techno Tools Limited	1	1,365	2	257	0*	1	2	257						
<b>Foreign:</b>															
27	Samvardhana Motherson Reflectec Group Holdings Limited	8	18,621	(35)	(4,158)	-	-	(30)	(4,158)	14	23,062	19	2,980	16	2,980
28	SMR Automotive Technology Holding, Cyprus Ltd.	2	3,359	1	141	-	-	1	141	3	4,242	1	197	1	197
29	SMR Automotive Brasil LTDA.	0*	881	0*	32	-	-	0*	32	0*	715	(1)	(98)	-	(98)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

SI No.	Name of entity	March 31, 2022						March 31, 2021							
		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>			
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)			
30	SMR Automotive Mirror Technology Holding Hungary KFT	1	2,131	0*	0	(43)	(954)	(7)	(954)	1	2,078	2	363	(89)	(89)
31	SMR Holding Australia Pty Limited	1	1,872	0*	0	-	-	0*	0	1	1,834	2	361	-	361
32	SMR Automotive Australia Pty Limited	1	1,580	1	131	1	14	1	145	1	1,408	2	316	0*	(4)
33	SMR Automotive Mirror Technology, Hungary BT	2	4,462	16	1,914	7	143	15	2,058	2	2,509	10	1,575	17	1,592
34	SMR Automotive Systems, France S.A.	0*	(23)	(3)	(318)	(1)	(32)	(2)	(350)	0*	184	(3)	(444)	(2)	(65)
35	SMR Automotive System (Thailand) Limited	0*	785	1	110	2	33	1	143	0*	582	0*	47	-	47
36	SMR Automotive Mirror Parts and Holdings UK Ltd.	5	11,184	11	1,258	(1)	(24)	9	1,234	6	10,238	2	278	2	53
37	SMR Patents S.à.r.l.	0*	0	0*	16	-	-	0*	16	0*	(15)	0*	25	-	25
38	SMR Automotive Technology Valencia S.A.U.	0*	205	0*	2	-	-	0*	2	0*	207	0*	2	-	2
39	SMR Automotive Mirrors UK Limited	0*	1,057	0*	(88)	-	-	0*	(88)	1	1,238	2	276	-	276
40	SMR Automotive Mirror Systems Holding Deutschland GmbH	1	3,084	5	537	-	-	4	537	2	2,702	1	90	-	90
41	SMR Hyosang Automotive Ltd.	1	2,242	1	126	(1)	(16)	1	109	1	2,206	0*	66	-	66
42	SMR Automotive Modules Korea Ltd.	1	2,957	(5)	(533)	(17)	(369)	(6)	(902)	3	4,926	(1)	(227)	0*	(1)
43	SMR Automotive Beteiligungen Deutschland GmbH	0*	121	1	61	-	-	0*	61	0*	115	0*	51	-	51
44	SMR Automotive Systems Spain S.A.U.	1	1,810	6	664	-	-	5	664	1	1,525	4	550	-	550
45	SMR Automotive Vision Systems Mexico S.A. de C.V.	1	2,175	4	472	1	19	4	491	2	2,848	1	221	6	208
46	SMR Automotive Mirrors Stuttgart GmbH	0*	1,058	9	1,118	(5)	(119)	7	999	0*	273	2	274	-	274



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

SI No.	Name of entity	March 31, 2022						March 31, 2021					
		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>	
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
47	SMR Grundbesitz GmbH & Co. KG	0*	266	0*	47	-	0*	47	0*	43	-	0*	43
48	SMR Mirror UK Limited	1	2,339	(10)	(1,172)	-	2	3,558	21	3,326	-	18	3,326
49	SMR Automotive Systems USA Inc.	3	5,985	14	1,670	-	3	4,184	19	3,046	-	16	3,046
50	SMR Automotive Mirror International USA Inc.	7	15,807	0*	13	6	139	9	15,209	21	3,346	3	112
51	SMR Automotive Vision System Operations USA INC	6	14,407	7	792	-	8	13,120	28	4,362	-	23	4,362
52	SMR Automotive Beijing Company Limited	0*	468	0*	11	4	98	0*	425	0*	12	3	93
53	SMR Automotive Yancheng Co. Limited	1	1,137	0*	23	3	76	1	1,016	1	215	2	72
54	SMR Automotive Holding Hong Kong Limited	0*	479	0*	(2)	-	0*	491	0*	5	-	-	0*
55	SMR Automotive Operations Japan k.k.	0*	(40)	0*	17	-	-	(60)	0*	(1)	-	-	0*
56	SMR Automotive Systems Macedonia (Langfang) Co. Limited	0*	427	0*	12	-	0*	289	1	219	-	-	1
57	SMR Automotives Systems Macedonia Doel Skopje	0*	(14)	0*	-	-	-	(15)	0*	(0)	-	-	0*
58	SMR Automotive Industries RUS Limited Liability Company	0*	21	0*	1	-	0*	21	0*	2	-	-	0*
59	Samvardhana Motherson Corp Management Shanghai Co. Ltd	0*	178	0*	21	-	0*	148	0*	19	-	-	0*
60	Re-time Pty Limited (Refer note 50)	0*	9	0*	(5)	-	0*	14	0*	(5)	-	-	0*
61	Samvardhana Motherson Global (FZE)	0*	54	0*	15	-	0*	126	1	80	-	-	0*
62	Motherson Innovations Company Limited	0*	1,113	(4)	(510)	-	1	1,090	(3)	(488)	-	-	(3)
63	Motherson Innovations Deutschland GmbH	0*	56	0*	5	-	0*	53	0*	4	-	-	0*

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(All amounts in ₹ Million, unless otherwise stated)

SI No.	Name of entity	March 31, 2022						March 31, 2021					
		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>	
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
64	Motherson Innovations LLC	-	-	0*	-	-	0*	-	0*	-	-	-	-
65	Motherson Business Service Hungary Kft.	0*	1	0*	(0)	-	0*	1	0*	(0)	-	-	0*
66	SMR Plast Met Molds and Tools Turkey Kalip Imalat Anonim Sirketi	0*	111	(1)	(131)	-	(1)	(131)	-	-	-	-	-
67	SMR Plast Met Automotive Tec Turkey Plastik Imalat Anonim Sirketi	0*	319	0*	(47)	-	0*	(47)	-	-	-	-	-
68	Samvardhana Motherson Peguform GmbH	1	1,377	5	580	-	0*	712	2	372	-	-	2
69	SMP Automotive Exterior GmbH	1	2,882	5	547	-	2	2,587	1	146	-	-	1
70	SMP Deutschland GmbH	4	9,644	(22)	(2,578)	(3)	7	10,845	(9)	(1,406)	(3)	(87)	(1,493)
71	SMP Logistik Service GmbH	0*	49	0*	0	-	0*	50	0*	0	-	-	0*
72	SMP Automotive Solutions Slovakia s.r.o.	(1)	(2,248)	(4)	(448)	-	(1)	(1,855)	(2)	(348)	-	-	(2)
73	Changchun Peguform Automotive Plastics Technology Co. Ltd.	4	9,881	17	1,979	-	6	10,139	17	2,640	-	-	14
74	Foshan Peguform Automotive Plastics Technology Co. Ltd.	1	1,428	2	281	-	1	1,062	2	316	-	-	2
75	Shenyang SMP Automotive Plastic Component Co. Ltd.	0*	252	0*	(44)	-	0*	249	0*	(3)	-	-	0*
76	SMP Automotive Technology Management Services (Changchun) Co. Ltd.	-	-	1	64	-	0*	(46)	0*	(10)	0*	(0)	(10)
77	SMP Automotive Interiors (Beijing) Co. Ltd.	1	2,114	9	1,080	-	1	1,772	7	1,073	-	-	6
78	SMP Automotive Technology Iberica S.L.	5	11,327	16	1,942	-	6	9,212	5	854	-	-	5
79	SMP Automotive Technologies Teruel Sociedad Limitada	0*	293	0*	17	-	0*	283	0*	44	-	-	0*

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(All amounts in ₹ Million, unless otherwise stated)

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		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount			
80	Samvardhana Motherison Peguform Barcelona S.L.U.	0*	605	1	113	-	1	113	0*	507	1	146	-	1	146	
81	SMP Automotive Produtos Automotivos do Brasil Ltda	(1)	(2,483)	1	130	-	1	130	(2)	(2,562)	(7)	(1,057)	-	(6)	(1,057)	
82	SMP Automotive Systems México, S. A. de C.V.	3	5,704	2	264	8	177	3	440	3	5,261	(6)	6	194	(740)	
83	Samvardhana Motherison Peguform Automotive Technology Portugal, S.A.	0*	667	6	672	-	-	5	672	1	1,294	3	522	-	3	522
84	Celulosa Fabril (Cefal) S.A.	1	2,584	3	320	-	-	2	320	2	2,925	9	1,385	-	7	1,385
85	Modulos Ribera Alta S.L. Unipersonal	2	3,833	3	412	-	-	3	412	2	3,510	5	827	-	4	827
86	Samvardhana Motherison Innovative Autosystems B.V. & Co. KG	0*	828	(20)	(2,373)	-	-	(17)	(2,373)	1	1,482	(9)	(1,394)	-	(7)	(1,394)
87	Samvardhana Motherison Innovative Autosystems Holding Company B.V.	0*	8	0*	2	-	-	0*	2	0*	6	0*	(2)	-	0*	(2)
88	Samvardhana Motherison Innovative Autosystems de Mexico, S.A. de C.V.	-	-	0*	-	-	-	-	-	0*	718	1	205	-	1	205
89	SM Real Estate GmbH	0*	262	1	61	-	-	0*	61	0*	207	0*	56	-	0*	56
90	Motherison Innovations Lights GmbH & Co. KG	0*	2	0*	(10)	-	-	0*	(10)	0*	12	0*	(26)	-	0*	(26)
91	Motherison Innovations Lights Verwaltungs GmbH	0*	3	0*	0	-	-	0*	0	0*	2	0*	0	-	0*	0
92	SMP Automotive Systems Alabama Inc.	5	12,139	(3)	(362)	-	-	(3)	(362)	(10)	(15,774)	(7)	(11,444)	-	(6)	(11,444)
93	Tianjin SMP Automotive Components Co. Ltd.	0*	480	1	141	-	-	1	141	0*	313	1	175	-	1	175
94	Shenyang SMP Automotive Trim Co., Ltd	0*	397	(2)	(178)	-	-	(1)	(178)	0*	330	0*	(16)	-	0*	(16)
95	SMP Automotive Interior Modules d.o.o. Cuprija	0*	273	(7)	(881)	-	-	(6)	(881)	0*	766	(1)	(135)	-	(1)	(135)

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		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount			
96	SMRC Automotive Interiors Management B.V. (liquidated w.e.f. March 24, 2021)	-	-	-	-	-	-	-	0*	-	1	115	-	-	1	115
97	SMRC Automotive Holdings E.V.	0*	830	0*	(34)	-	-	0*	(34)	1	833	0*	4	-	0*	4
98	SMRC Automotive Holdings Netherlands B.V.	2	5,547	(3)	(322)	-	-	(2)	(322)	4	5,990	(1)	(232)	-	(1)	(232)
99	SMRC Automotives Techno Minority Holdings E.V.	0*	85	0*	16	-	-	0*	16	0*	70	0*	18	-	0*	18
100	SMRC Smart Automotive Interior Technologies USA, LLC (liquidated w.e.f. May 07, 2021)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	SMRC Automotive Modules France SAS	2	5,018	0*	(11)	3	59	0*	48	3	5,086	0*	(28)	0*	3	(25)
102	Samvardhana Motherison Reydel Automotive Parts Holding Spain, S.L.U.	0*	854	1	61	-	-	0*	61	0*	813	1	90	-	0*	90
103	SMRC Automotive Interiors Spain S.L.U.	2	3,924	3	394	-	-	3	394	2	3,621	3	504	-	3	504
104	SMRC Automotive Interior Modules Croatia d.o.o.	0*	12	0*	1	-	-	0*	1	0*	11	0*	1	-	0*	1
105	Samvardhana Motherison Reydel Autotecc Morocco SAS	0*	132	(2)	(259)	-	-	(2)	(259)	0*	392	0*	(78)	-	0*	(78)
106	SMRC Automotive Technology R.U.L.L.C.	0*	964	2	243	-	-	2	243	0*	736	3	451	-	2	451
107	SMRC Smart Interior Systems Germany GmbH	0*	181	0*	42	1	16	0*	59	0*	111	0*	4	(1)	(16)	(12)
108	SMRC Automotive Interiors Products Poland SA (Liquidated w.e.f. April 06, 2021)	0*	(0)	0*	-	-	-	-	-	0*	-	0*	(1)	-	0*	(1)
109	SMRC Automotive Solutions Slovakia s.r.o.	0*	695	(2)	(277)	0*	1	(2)	(276)	0*	(12)	(5)	(774)	0*	(1)	(775)

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		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	
110	SMRC Automotive Holding South America B.V.	1	1,359	0*	0	-	0	1	1,225	0*	(25)	-	0*	(25)
111	SMRC Automotive Modules South America Minority Holdings B.V.	0*	29	0*	0	-	0	0*	28	0*	(0)	-	0*	(0)
112	SMRC Automotive Tech Argentina S.A.	0*	772	(3)	(383)	-	(3)	0*	773	(1)	(99)	-	(1)	(99)
113	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda	0*	1,029	3	376	-	3	0*	487	0*	47	-	0*	47
114	SMRC Automotive Smart Interior Tech (Thailand) Ltd.	0*	992	1	154	2	35	1	852	0*	49	1	27	76
115	SMRC Automotive Interiors Japan Ltd.	0*	16	0*	33	0*	(5)	0*	(13)	0*	(27)	0*	(3)	(29)
116	Shanghai Reydel Automotive Technology Consulting Co. Ltd.	0*	24	0*	4	-	-	0*	18	0*	2	-	0*	2
117	PT SMRC Automotive Technology Indonesia	0*	(67)	0*	(9)	-	-	0*	(54)	0*	(9)	-	0*	(9)
118	Yujin SMRC Automotive Techno Corp.	1	1,775	3	299	5	102	1	1,500	(1)	(150)	2	61	(89)
119	SMRC Automotives Technology Phil Inc.	0*	(79)	0*	(11)	-	-	0*	(69)	0*	(42)	-	0*	(42)
120	PKC Group Oy	4	9,862	12	1,413	(2)	(50)	10	10,369	10	1,600	-	8	1,600
121	PKC Wiring Systems Oy	3	5,747	6	758	(3)	(57)	4	5,932	(2)	(334)	-	(2)	(334)
122	Wisetime Oy	0*	101	1	103	-	-	0*	158	0*	76	-	0*	76
123	Motherson PKC Harness Systems FZ+LLC	0*	(262)	(1)	(107)	-	-	0*	(160)	(1)	(161)	-	(1)	(161)
124	PKC Group Poland Sp. z o.o.	0*	654	(3)	(350)	-	-	0*	(384)	2	255	-	1	255
125	PKC SEGU Systemelektrik GmbH	0*	(32)	0*	(43)	-	-	0*	(182)	0*	37	-	0*	37
126	PKC Wiring Systems LLC	(1)	(1,695)	(15)	(1,792)	-	-	0*	43	(2)	(259)	-	(1)	(259)
127	PKC Eesti AS	6	13,930	2	210	-	-	9	15,038	3	436	-	2	436
128	TKV-Sarijat Oy	0*	9	0*	1	-	-	0*	9	0*	(1)	-	0*	(1)

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		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	
129	OOO AEK	0*	332	0*	(10)	-	-	0*	(10)	0*	(68)	-	0*	(68)
130	PKC Group Lithuania UAB	0*	850	1	98	-	-	0*	773	2	304	-	2	304
131	PK Cables do Brasil Ltda	0*	989	5	646	2	39	0*	35	(3)	(549)	-	(3)	(549)
132	PKC Group Canada Inc.	0*	335	0*	1	-	-	0*	320	0*	2	-	0*	2
133	PKC Group Mexico S.A. de C.V.	0*	153	0*	-	-	-	0*	143	0*	-	-	-	-
134	Project Del Holding S.árl.	1	1,232	0*	(1)	-	-	1	1,395	0*	(2)	-	0*	(2)
135	AEES Manufacturera S. De R.L. de C.V.	0*	985	1	139	-	-	0*	788	0*	59	-	0*	59
136	Arneses de Ciudad Juarez S. de R.L. de C.V.	0*	83	0*	31	-	-	0*	51	0*	18	-	0*	18
137	Arneses y Accesorios de México S. de R.L. de C.V.	0*	394	2	184	-	-	0*	221	1	149	-	1	149
138	Cableados del Norte II, S. de R.L. de C.V.	0*	452	1	131	-	-	0*	300	0*	73	-	0*	73
139	Asesoria Mexicana Empresarial, S. de R.L. de C.V.	0*	184	0*	46	-	-	0*	132	0*	16	-	0*	16
140	Manufacturas de Componentes Electricos de México S. de R.L. de C.V.	0*	3	0*	(0)	-	-	0*	3	0*	-	-	-	-
141	PKC Group de Piedras Negras, S. de R.L. de C.V.	0*	132	0*	36	-	-	0*	95	0*	28	-	0*	28
142	PKC Group AEES Commercial S. de R.L. de C.V.	0*	65	0*	16	-	-	0*	46	0*	4	-	0*	4
143	PKC Group USA Inc.	(2)	(3,924)	(4)	(455)	-	-	(7)	(11,708)	6	955	-	5	955
144	AEES Inc.	2	3,690	9	1,030	(39)	(863)	7	11,414	(10)	(1,576)	-	(8)	(1,576)
145	AEES Power Systems Limited Partnership	1	1,868	(3)	(322)	-	-	1	2,118	0*	7	-	0*	7
146	Fortitude Industries Inc.	0*	739	(1)	(130)	-	-	1	840	0*	14	-	0*	14
147	PKC Vehicle Technology (Hefei) Co., Ltd.	1	1,325	0*	24	-	-	1	1,254	2	249	-	1	249
148	PKC Vehicle technology (Suzhou) Co. Ltd	0*	34	(1)	(90)	4	81	0*	119	0*	30	-	0*	30



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149	Jiangsu Huakai-PKC Wire Harness Co. Ltd.	2	4,869	(2)	(192)	4	93	(1)	(99)	3	4,738	3	524	-	524
150	Shandong Huakai-PKC Wire Harness Co. Ltd.	1	1,757	1	140	-	-	1	140	2	1,500	2	279	-	279
151	PKC Group APAC Ltd.	(1)	(3,169)	(3)	(360)	(9)	(202)	(4)	(563)	(1)	(2,795)	(1)	(177)	-	(177)
152	Kabel Technik Polska Sp. z o.o.	1	1,787	0*	53	-	-	0*	53	6	1,800	6	981	-	981
153	PKC Group Poland Holding Sp. z o.o.	0*	689	0*	(42)	-	-	0*	(42)	0*	745	0*	(37)	-	(37)
154	Groclin Luxembourg S.a.r.l.	1	1,871	0*	(2)	-	-	0*	(2)	1	1,915	0*	(2)	-	(2)
155	Motherson Rolling Stock Systems GB Limited	1	1,870	2	247	-	-	2	247	3	1,647	3	470	-	470
156	Motherson Rolling Stocks S. de R.L. de C.V.	0*	1	0*	2	-	-	0*	2	0*	0	0*	0	-	0
157	PKC Vehicle Technology (FuYang) Co., Ltd.	0*	37	0*	(9)	-	-	0*	(9)	0*	32	0*	(23)	-	(23)
158	MSSL MidEast (FZE)	9	21,087	3	341	-	-	2	341	15	25,629	3	468	-	468
159	MSSL (GB) Limited	17	37,382	5	601	-	-	4	601	22	37,237	1	200	-	200
160	MSSL Mauritius Holdings Limited	7	15,304	6	663	-	-	5	663	9	14,991	5	714	-	714
161	Samvardhana Motherison Global Holdings Limited Cyprus	33	74,694	0*	38	-	-	0*	38	46	76,330	0*	60	-	60
162	MSSL (S) Pre Limited	1	1,246	0*	9	-	-	0*	9	1	1,202	0*	48	-	48
163	Motherison Electrical Wires Lanka Private Limited	0*	711	2	219	0*	0	2	219	0*	651	1	223	0*	223
164	MSSL Consolidated Inc. USA	1	1,663	4	490	-	-	3	490	1	1,635	0*	(62)	-	(62)
165	MSSL Wiring System Inc	3	6,804	14	1,600	2	49	12	1,649	3	5,457	6	907	5	1,081
166	Alphabet De Mexico S.A. de C.V.	0*	146	1	116	-	-	1	116	0*	24	0*	20	-	20
167	Alphabet De Saitillo S.A. de C.V.	0*	(33)	0*	24	-	-	0*	24	0*	(54)	0*	27	-	27
168	Alphabet De Mexico de Monclova S.A. de C.V.	0*	67	1	82	-	-	1	82	0*	(17)	0*	14	-	14

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169	MSSL Wirings Juarez S.A. de C.V.	0*	5	0*	1	-	-	0*	1	0*	4	0*	1	-	1
170	MSSL Japan Limited	0*	(10)	0*	(28)	-	-	0*	(28)	0*	17	0*	(9)	-	(9)
171	MSSL Mexico S.A. De C.V.	0*	892	1	112	0*	1	1	113	0*	750	0*	48	0*	63
172	MSSL WH System (Thailand) Co. Ltd.	0*	910	4	421	-	-	3	421	0*	504	1	107	-	107
173	MSSL Korea WH Limited	0*	(16)	0*	(7)	-	-	0*	(7)	0*	(9)	0*	4	-	4
174	MSSL Ireland Private Limited	0*	34	0*	2	-	-	0*	2	0*	32	0*	(1)	-	(1)
175	MSSL s.r.l. Unipersonale	0*	20	0*	1	-	-	0*	1	0*	19	0*	4	-	4
176	MSSL Estonia WH OU	15	33,007	14	1,646	-	-	12	1,646	19	32,116	12	1,854	-	1,854
177	MSSL Australia Pty Limited	0*	323	1	116	-	-	1	116	0*	199	1	124	-	124
178	Motherison Elastomers Pty Limited	0*	521	1	127	-	-	1	127	0*	494	1	163	-	163
179	Motherison Investments Pty Limited	0*	31	0*	7	-	-	0*	7	0*	23	0*	7	-	7
180	MSSL Global RSA Module Engineering Limited	2	3,431	8	958	-	-	7	958	1	2,330	4	681	-	681
181	Vacuum 2000 (Proprietary) Limited	0*	13	0*	(0)	-	-	0*	(0)	0*	13	0*	(28)	-	(28)
182	MSSL GMBH	0*	1,065	(1)	(170)	-	-	(1)	(170)	1	1,258	0*	(2)	-	(2)
183	Samvardhana Motherison Invest Deutschland GmbH	0*	69	0*	(2)	-	-	0*	(2)	0*	72	0*	0	-	0
184	MSSL Advanced Polymers s.r.o.	0*	346	(2)	(208)	-	-	(1)	(208)	0*	531	0*	10	-	10
185	Motherison Techno Precision GmbH	0*	4	0*	(17)	-	-	0*	(17)	0*	20	0*	(37)	-	(37)
186	Motherison Techno Precision Mexico, S.A. de C.V.	0*	(23)	0*	44	-	-	0*	44	0*	(74)	0*	52	-	52
187	MSSL Manufacturing Hungary Kft.	0*	(157)	(1)	(95)	-	-	(1)	(95)	0*	(67)	(1)	(108)	-	(108)
188	Motherison Air Travel Pvt Ltd	0*	(651)	(1)	(109)	-	-	(1)	(109)	0*	(558)	0*	(30)	-	(30)
189	MSSL Tooling (FZE)	1	2,798	5	629	-	-	4	629	1	2,238	3	539	-	539

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

SI No.	Name of entity	March 31, 2022						March 31, 2021						
		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	
190	Motherson Wiring System (FZE)	0*	(100)	0*	8	-	0*	8	0*	(110)	0*	9	0*	9
191	Global Environment Management (FZC)	0*	(9)	0*	26	-	0*	26	0*	(35)	0*	26	0*	26
192	Samvardhana Motherson Automotive Systems Group BV	44	98,870	20	2,307	-	16	2,307	58	96,929	31	4,858	27	5,146
193	MSSL M Tooling Ltd (liquidated w.e.f. 30.10.2020)	-	-	-	-	-	-	-	-	-	-	-	-	-
194	Motherson Ossia Innovations llc.	-	-	0*	-	-	-	-	-	-	-	-	-	-
195	Samvardhana Motherson Finance Service Cyprus Limited	0*	714	0*	(56)	(34)	(1)	(91)	-	-	-	-	-	-
196	Samvardhana Motherson Holding (M) Private Limited	(2)	(4,656)	0*	(34)	-	0*	(34)	-	-	-	-	-	-
197	Motherson Sintermetal Technology B.V.	(2)	(4,306)	0*	(41)	-	0*	(41)	-	-	-	-	-	-
198	MSIDUS Inc.	0*	(8)	0*	37	-	0*	37	-	-	-	-	-	-
199	MothersonSumi Mforekk and Designs GmbH	0*	156	0*	6	-	0*	6	-	-	-	-	-	-
200	MothersonSumi Infotech and Designs S.G. Pte. Limited	0*	(87)	1	65	-	0*	65	-	-	-	-	-	-
201	MothersonSumi Infotech & Designs KK	0*	(318)	1	97	-	1	97	-	-	-	-	-	-
202	Motherson Infotech and Solutions UK Ltd	0*	(87)	1	81	-	1	81	-	-	-	-	-	-
203	SMI Technologies Inc.	0*	(117)	0*	10	-	0*	10	-	-	-	-	-	-
204	Motherson Information Technologies Spain SLLU	0*	15	0*	(7)	-	0*	(7)	-	-	-	-	-	-
205	Motherson Infotek Designs Mid East FZ-LLC	0*	(61)	1	59	-	0*	59	-	-	-	-	-	-
206	Motherson Techno Tools MideastFZE	0*	224	0*	17	-	0*	17	-	-	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

SI No.	Name of entity	March 31, 2022						March 31, 2021						
		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	
	<b>Associates (Investment as per Equity method)</b>													
	<b>Indian:</b>													
207	SAXS Ancillaries Limited								0*	42	0*	2		0*
208	AES (India) Engineering Limited	0*	16	0*	2	0*	0*	2						
	<b>Foreign:</b>													
209	Hubei Zhengao PKC Automotive Wiring Company Ltd.	0*	980	0*	48	-	0*	48	2	2,698	6	895	-	5
	<b>Joint Ventures (Investment as per Equity method)</b>													
	<b>Indian:</b>													
210	Motherson Sumi Wiring India Limited	2	3,726	1	155	(1)	1	143						
211	Kyungshin Industrial Motherson Private Limited	0*	1,050	(9)	(1,008)	0*	(7)	(1,012)	1	2,062	0*	(23)	0*	8
212	Calsonic Karsei Motherson Auto Products Private Limited	0*	762	1	74	0*	1	75	0*	687	0*	66	(6)	60
213	Motherson Auto Solutions Limited	1	2,513	0*	(2)	0*	0*	(2)						
214	Nissin Advanced Coating Indo Co. Private Limited	0*	56	0*	1	0*	0*	1						
215	Anest Iwata Motherson Private Limited	0*	356	0*	21	0*	0*	22						
216	Anest Iwata Motherson Coating Equipment Private Limited	0*	67	0*	9	0*	0*	9						
217	Valeo Motherson Thermal Commercial Vehicles India Limited	0*	77	0*	11	0*	0*	11						
218	Fritzmeier Motherson Cabin Engineering Private Limited	0*	323	0*	4	0*	0*	4						

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(All amounts in ₹ Million, unless otherwise stated)

SI No.	Name of entity	March 31, 2022						March 31, 2021								
		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>				
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount			
219	Marelli Motherson Automotive Lighting India Private Ltd.	1	2,345	2	231	0*	1	2	233							
220	Marelli Motherson Auto Suspension Parts Pvt Ltd	0*	435	0*	13	0*	1	0*	14							
221	Matsui Technologies India Limited	0*	141	0*	4	0*	0	0*	4							
222	Frigeel Intelligent Cooling Systems India Private Limited	0*	4	0*	(0)	0*	0	0*	(0)							
223	Motherson Bergstrom HVAC Solutions Private Limited	0*	75	0*	6	0*	0	0*	6							
224	Youngshin Motherson Auto Tech Limited	0*	6	0*	(15)	0*	0	0*	(15)							
	<b>Foreign:</b>															
225	Eisemann SMP Automotive Interieur Slovensko s.r.o	0*	39	(1)	(68)	-	-	0*	(68)							
226	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	1	3,233	6	766	-	-	5	766	3	5,678	9	1,417	7	1,417	
227	Chongqing SMR Huaxiang Automotive Products	0*	626	0*	59	-	-	0*	59	1	1,279	0*	52	0*	52	
228	Tianjin SMR Huaxiang Automotive Part Co. Limited	0*	184	0*	18	-	-	0*	18	0*	310	0*	(22)	0*	(22)	
229	Nanchang JMCJG SMR Huaxiang Mirror Co. Ltd	0*	253	0*	17	-	-	0*	17							
	Minority interest in All Subsidiaries	(8)	(17,763)	(26)	(3,077)	(84)	(1,847)	(65)	(4,924)	(24)	(40,233)	(34)	(5,302)	(32)	(6,037)	

<sup>1</sup> The aforementioned amounts are before consolidation adjustments and intercompany eliminations.

\* is below the rounding off norm adopted by the Company

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

**50. Business combination**

**i) Acquisition of Plast Met group**

On January 18, 2021 the Group through its subsidiary SMR Automotive Mirrors Stuttgart GmbH signed share purchase agreement for acquisition of 75% stake in Plast Met Plastik Metal San. İmalatveTic.A.Ş.(PM-Bursa) and Plast Met Kalip San.veTic.A.Ş.(PM-Istanbul) together known as Plast Met group (Turkey) and the transaction was completed on April 29, 2021.

Plast Met is a large automotive supplier in Turkey for injection moulded parts and sub-assemblies, and also owns a state of art commercial tool room engaged in manufacture and supplying of high-end injection moulding tools to customers worldwide.

The group is based out of Turkey and is an important supplier of plastic moulded parts, related subassemblies, and injection moulding tools. Plast Met has two facilities located at Istanbul and Bursa in Turkey. Building on the capabilities of Plast Met group, SMRP BV will be able to support its customers in the European region more efficiently.

**Assets and Liabilities recognized as result of acquisition are as follows:**

Particulars	Amount in ₹ Million
<b>ASSETS / (LIABILITIES)</b>	
Property, plant and equipment	183
Right-to-use assets	469
Intangible assets	681
Inventories	500
Trade receivables	321
Cash and cash equivalents	520
Other receivables	38
Lease liabilities	(465)
Trade payables	(206)
Other liabilities	(307)
Deferred tax liabilities	(159)
<b>Net identifiable assets acquired</b>	<b>1,575</b>
Attributable to non controlling interest	394
<b>Total identifiable assets attributable to the group</b>	<b>1,181</b>

Particulars	Amount in ₹ Million
<b>Calculation of goodwill / (gain on bargain purchase)</b>	
Purchase consideration	1,724
Net identifiable assets acquired	1,181
<b>Goodwill</b>	<b>543</b>

The share sale and purchase agreement provides for a put as well as call option for remaining 25% shares of the Plast Met entities which can be exercised by either parties after a period of 5 years from the date of closing of the transaction for a price to be determined based on fair value at that time. Due to the existence of options, the 25% interest is excluded from non-controlling interest and a financial redemption liability has been recognised based on expected fair value at the end of 5 years.



**ii) Acquisition by Fortitude Industries Inc.**

Fortitude Industries Inc., a subsidiary of the group, has successfully completed the acquisition of assets and activities of Electrical Wiring Interconnection Systems (EWIS) performed at Bombardier Transportation's manufacturing site in Huehuetoca, Mexico (BT Ensembles México) on April 30, 2021. Fortitude is part of the Rolling Stock Division which designs and manufactures electrical cabinets, power packs and electrical distribution systems for leading rolling stock manufacturers.

**Assets and Liabilities recognized as result of acquisition are as follows:**

Particulars	Amount in ₹ Million
<b>ASSETS / (LIABILITIES)</b>	
Property, plant and equipment	159
Inventories	369
Trade payables	(17)
<b>Net identifiable assets acquired</b>	<b>511</b>

Particulars	Amount in ₹ Million
<b>Calculation of goodwill / (gain on bargain purchase)</b>	
Purchase consideration	556
Net identifiable assets acquired	511
<b>Goodwill</b>	<b>45</b>

**iii) Acquisition of CIM Tools Private Limited**

On October 08, 2021 the Group signed share purchase agreement for acquisition of 55% stake in CIM Tools Private Limited (CIM). CIM in turn holds 83% stake in Aero Treatment Private Limited (ATPL) and 49.99% in Lauak CIM Aerospace (JV with Lauak International, LCA), together known as CIM Group for a total purchase consideration of ₹ 1,609 million (subject to final adjustments).

CIM Tools is engaged in specialised machining and sub-assembly of components for the aerospace industry. ATPL is a vertically integrated unit engaged in surface treatment of machined parts. This acquisition marked Group's entry into the Aerospace industry and provides it with access to an existing and well established customer base as well as additional specialised capabilities to serve the aerospace industry through its four dedicated facilities. The successful closure of this acquisition is another step forward in the diversification strategy of Motherson.

As the initial accounting and a detailed study into allocation of purchase price over the fair value assets and liabilities assumed on acquisition is still in progress as at the date of this report, the disclosures generally applicable for a business combination are therefore not produced, however this has no impact on the consolidated financial statements for the year ended March 31, 2022 as the transaction has been completed in the month of April 2022.

**51. The Composite Scheme of Amalgamation and Arrangement**

The Board of Directors in its meeting dated July 02, 2020, approved a group reorganization plan with the objective of creating value for the shareholders of the Company. The reorganization plan approved by the respective Boards of the Company and erstwhile Samvardhana Motherson International Limited ("erstwhile SAMIL") among other things, entails demerger of Domestic Wiring Harness ("DWH") business from the Company into a new company Motherson Sumi Wiring India Limited ("MSWIL") and subsequent merger of erstwhile SAMIL into the Company to

consolidate 100% shareholding in Samvardhana Motherson Automotive Systems Group BV ("SMRP BV") as well as to bring all auto component and allied businesses in erstwhile SAMIL under the Company.

The Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated December 22, 2021 approved the Composite Scheme of Amalgamation and Arrangement ("the Scheme") between the Company, Motherson Sumi Wiring India Limited ("MSWIL"), erstwhile Samvardhana Motherson International Limited (erstwhile SAMIL) and their respective shareholders, there by making the scheme effective.

Considering that all necessary and substantive approvals were received, the Company had given effect to the merger and demerger accounting from December 31, 2021 in accordance with the accounting treatment prescribed in the Scheme and relevant accounting principles.

**A Demerger of Domestic Wiring Harness (DWH) Business**

As per the Scheme, 3,157,934,237 equity shares having face value of ₹ 1/- each, were allotted by MSWIL, in the ratio of 1 equity share of MSWIL of face value ₹ 1/- each for every 1 equity share of the Company of face value ₹ 1/- each, to the shareholders of the Company as on January 19, 2022, being the record date fixed by the Company. The carrying amount of net assets amounting to ₹ 10,721 million, as on December 31, 2021, pertaining to DWH Business transferred to MSWIL was adjusted against retained earnings of the Company. Till the date of transfer, results of DWH Business were reflected as Discontinued Operation and accordingly presented in the consolidated financial statement.

The listing process for these allotted shares of MSWIL has now been also completed on March 28, 2022 after completing all necessary regulatory approvals and procedures.

**(i) The results of DWH business are presented below:**

	From April 01, 2021 to December 31, 2021	For the year ended March 31, 2021
Revenue from contract with customers	39,309	41,167
Other operating revenue	426	215
<b>Revenue from operations</b>	<b>39,735</b>	<b>41,382</b>
Other income	207	275
Total expenses	35,096	37,261
<b>Profit/(loss) before tax for the period</b>	<b>4,846</b>	<b>4,396</b>
Tax expense/ (credit)	1,204	1,129
<b>Profit / (loss) for the period</b>	<b>3,642</b>	<b>3,267</b>

The income and expenses of continuing operation includes transactions with discontinued operation, which does not have impact on "Profit / (loss) for the year from continuing and discontinued operations" as disclosed in consolidated statement of profit and loss. Revenue from contract with customers on account of transaction between continuing operations and discontinued operations is as follows:

	From April 01, 2021 to December 31, 2021	For the year ended March 31, 2021
Amount included in continuing operation	13,315	12,774
Amount included in discontinued operation	258	353

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(All amounts in ₹ Million, unless otherwise stated)

(ii) The major classes of assets and liabilities of DWH business classified as held for distribution as on March 31, 2021, and book value of assets and liabilities transferred as on effective date of scheme are presented below:

	From April 01, 2021 to December 31, 2021	For the year ended March 31, 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,697	1,559
Right-of-use assets	324	138
Capital work in progress	4	1
Financial assets		
i. Loans	31	26
ii. Other financial assets	89	82
Deferred tax assets (net)	271	259
Other non-current assets	87	151
Non-current tax assets (net)	31	0
<b>Total non-current assets</b>	<b>2,534</b>	<b>2,216</b>
<b>Current assets</b>		
Inventories	9,788	7,986
Financial assets		
i. Trade receivables*	7,688	6,749
ii. Cash and cash equivalents	7	372
iii. Loans	21	12
iv. Other financial assets	77	103
Other current assets	626	455
<b>Total current assets</b>	<b>18,207</b>	<b>15,677</b>
<b>Total assets</b>	<b>20,741</b>	<b>17,893</b>
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Financial Liabilities		
i. Borrowings	103	139
ii. Lease liabilities	292	100
iii. Other financial liabilities	76	75
Employee benefit obligations	146	211
Government grants	199	222
<b>Total non-current liabilities</b>	<b>816</b>	<b>747</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

	From April 01, 2021 to December 31, 2021	For the year ended March 31, 2021
<b>Current liabilities</b>		
Financial Liabilities		
i. Borrowings	47	675
ii. Lease liabilities	78	45
iii. Trade payables	7,309	7,516
iv. Other financial liabilities	754	831
Provisions	12	8
Employee benefit obligations	481	494
Government grants	30	30
Other current liabilities	493	447
<b>Total current liabilities</b>	<b>9,204</b>	<b>10,046</b>
<b>Total liabilities</b>	<b>10,020</b>	<b>10,793</b>
<b>Net Assets directly associated with DWH business</b>	<b>10,721</b>	<b>7,100</b>
*March 31, 2021 balance includes below balances with related parties		
Trade receivables from related parties		56
Trade payable to related parties		1,614

Assets and liabilities are disclosed after netting off of below mentioned amount of receivable and payable between continuing operation and discontinued operation in consolidated balance sheet.

	For the year ended March 31, 2021
Amount receivable from discontinued operation	2,441
Amount payable to discontinued operation	104

(iii) Net cash flows attributable to the DWH business are as follows:

	From April 01, 2021 to December 31, 2021	For the year ended March 31, 2021
Net cash generated from / (used in) operating activities	916	(29)
Net cash used in investing activities	(452)	(299)
Net cash generated from financing activities	(840)	384
<b>Net increase in cash and cash equivalents</b>	<b>(376)</b>	<b>55</b>

**B Amalgamation of erstwhile Samvardhana Motherson International Limited**

In accordance with the Scheme, 1,359,680,007 net equity shares having face value of ₹ 1/- each were allotted by the Company in the ratio of 51 equity shares of the Company of face value ₹ 1/- each for every 10 equity shares of erstwhile SAMIL of face value ₹ 10/- each to the shareholders of erstwhile SAMIL as on January

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

28, 2022, being the record date fixed in terms of the Scheme. This translated into a net consideration for the transaction at ₹ 241,827 million, Goodwill of ₹ 8,572 million in case of subsidiaries, being excess of net consideration over fair value of identifiable assets and liabilities of subsidiary entities assumed through merger with erstwhile SAMIL and adjustment through debit to capital reserve of ₹ 159,300 million represented by the difference in fair value of the 49% stake acquired in SMRP BV (existing subsidiary of the Company) & Non-controlling interests amount already recorded in consolidated financial statement as on December 31, 2021. The fair values used for the accounting have been determined based on a purchase price allocation in accordance with IND AS 103 – “Business Combination

### (i) Assets and Liabilities recognized as result of above scheme are as follows:

Particulars	Amount in ₹ Million
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	6,471
Right-of-use assets	2,644
Capital work in progress	545
Investment properties	208
Other Intangible assets	566
Intangible assets under development	53
Investment accounted as per equity methods <sup>a</sup>	55,930
Financial assets	
i. Investments	725
ii. Other financial assets	264
Deferred tax assets (net)	23
Other non-current assets	267
Non-current tax assets (net)	366
<b>Total non-current assets</b>	<b>68,062</b>
<b>Current assets</b>	
Inventories	1,845
Financial assets	
i. Investments	129
ii. Trade receivables	2,330
iii. Cash and cash equivalents	695
iv. Bank balances other than (iii) above	922
v. Loans	407
vi. Other financial assets	887
Other current assets	542
<b>Total current assets</b>	<b>7,757</b>
<b>Total assets</b>	<b>75,819</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Amount in ₹ Million
<b>LIABILITIES</b>	
<b>Non current liabilities</b>	
Financial Liabilities	
i. Borrowings	3,932
ii. Lease liabilities	676
iii. Other financial liabilities	4
Employee benefit obligations	582
Deferred tax liabilities (net)	360
Government grants	10
Other non-current liabilities	70
<b>Total non-current liabilities</b>	<b>5,634</b>
<b>Current liabilities</b>	
Financial Liabilities	
i. Borrowings	12,513
ii. Lease liabilities	263
iii. Trade payables	1,955
iii. Other financial liabilities	788
Provisions	29
Employee benefit obligations	138
Current tax liabilities (net)	63
Other current liabilities	1,254
<b>Total current liabilities</b>	<b>17,003</b>
<b>Total liabilities</b>	<b>22,637</b>
<b>Net identifiable assets acquired</b>	<b>53,182</b>
Attributable to non controlling interest	(4,851)
<b>Total identifiable assets attributable to the group</b>	<b>48,331</b>

### (ii) Calculation of goodwill / (gain on bargain purchase)

Particulars	Amount in ₹ Million
Purchase consideration	
Issue of equity share capital to share holders of erstwhile SAMIL	1,360
Security premium recognised	240,467
<b>Total purchase consideration</b>	<b>241,827</b>
Less: Fair value attributable to SMRP BV 49% stake (refer iii below)	188,734
Add: Investment already recorded in the book of the Company (refer iv below)	198
<b>Purchase consideration to acquire stake in subsidiary and JV entities</b>	<b>53,291</b>
Net identifiable assets acquired	48,331
<b>Net impact (Refer note b below)</b>	<b>4,960</b>



- a Investment accounted as per equity methods includes effect of group share of fair valuation of Property, plant and equipments amounting ₹ 947 million, customer relationship amounting to ₹ 9,493 million and Goodwill amounting to ₹ 38,661 million.
- b Net impact comprises of Goodwill amounting to ₹ 8,572 million recognised pursuant to purchase price allocation recognised in the consolidated financial statement while consolidating subsidiaries of erstwhile SAMIL and Gain on bargain purchase amounting to ₹ 3,612 million recognised through standalone financial statements.

**iii. Acquiring of stake of non controlling interest:**

The Group had recognised non controlling interest in consolidated financial statement as on effective date of the scheme for shares held by erstwhile SAMIL in subsidiary companies of the Group. Calculation of reserve recognised on acquisition of stake of non controlling interest is given below:

Particulars	Amount in ₹ Million
Carrying value of non controlling interest as on effective date of the scheme	29,435
Fair value attributable to non controlling interest (mainly 49% stake in SMRP BV business)	188,735
<b>Reserve on acquisition of non controlling interest</b>	<b>(159,300)</b>

**iv. Step up acquisition:**

The Group had holdings in two subsidiaries of erstwhile SAMIL as on effective date of scheme, namely SAKS Ancillaries Limited and Motherson Sumi Infotech & Designs Limited. Before the merger, investment in SAKS Ancillaries Limited was accounted as per equity methods and investment in Motherson Sumi Infotech & Designs Limited was recognised at fair value through other comprehensive income. In accordance with applicable accounting principle, previously held equity interest have been fair valued as on the effective date of the scheme and the entities have been consolidated thereafter.

- v. During the current year, the Group has incurred expenses amounting to ₹ 481 million (March 31, 2021: ₹ 199 million) (net of amount to be recovered / allocated) in connection with the implementation of the scheme of arrangement, which have been disclosed as exceptional expenses in statement of profit and loss.

Considering the impact of Composite Scheme accounting, the financial statement for the current year are not fully comparable with previous year.

**52. Other informations**

**A Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Group's operations have been impacted partially by the outbreak of COVID-19 pandemic and the consequent lockdown announced by governments in many of the jurisdictions, the Group operates. Accordingly, the figures presented in the consolidated financial statements are not strictly comparable.

**B Uncertainties arising out of Geo-Political situation in Ukraine**

The ongoing geopolitical tensions in Europe leading to economic sanctions imposed by various countries have restricted economic transactions with Russia. Our presence in Russia is very limited, hence impact to the the group, is not material. Indirect impacts due to supply chain restrictions and impact on energy and commodity prices are short term in nature and Group's long-term earnings are expected to generally remain unchanged. The situation however is dynamic, and the management will keep on monitoring its impact on the Group and will take necessary measures in the best interests of its stakeholders.

**C Other Statutory Information**

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,"
- (vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Group is not declared as wilful defaulter by any bank or financial institutions.

**53. Offsetting Financial Assets and Financial Liabilities:**

The following table present the Group's financial assets and liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the Balance sheet	Net amounts of financial assets presented in the balance sheet
<b>Trade Receivable</b>			
As on March 31, 2022	85,100	4,853	80,247
As on March 31, 2021	76,938	5,061	71,877
<b>Unbilled Revenue</b>			
As on March 31, 2022	29,833	1,913	27,920
As on March 31, 2021	27,776	5,735	22,041

- 54. During the financial year 2020-21, the Group issued 6.65% Non convertible debentures with maturity of 3 years of ₹ 21,300 million. These funds were further loaned to Company's subsidiary MSSL Mauritius which was ultimately loaned to Samvardhana Motherson Automotive Group BV (SMRP BV). SMRP BV utilised these funds together with cash on the balance sheet, for prepayment of USD 375 million and bought back USD 17.6 million senior secured notes, out of its USD 400 million senior secured notes due in December 2021. SMRP BV incurred an expenditure of

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ Million, unless otherwise stated)

₹ 424 million (EUR 4.9 million) towards prepayment premium and unamortised portion of bonds expenses, which was disclosed as exceptional expenses in previous year's consolidated financial statement.

**55.** Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Group.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **PANKAJ CHADHA**  
Partner  
Membership No.: 091813

Place: Noida  
Date : May 26, 2022

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

Place: Mumbai  
Date : May 26, 2022

**KUNAL MALANI**  
Chief Financial Officer

Place: Mumbai  
Date : May 26, 2022

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Place: Mumbai  
Date : May 26, 2022

**ALOK GOEL**  
Company Secretary

Place: Noida  
Date : May 26, 2022

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(All amounts in ₹ Million, unless otherwise stated)

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013 read with rule 5 of Companies (Accounts) Rule, 2014 in the prescribed Form AOC-1 relating to subsidiary companies**

**Part A: Subsidiaries**

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Date of Acquisition	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital & surplus	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend/ Earnings transfer to owners	% of shareholding	Country
1	MSSL Midcast (FZE)	March 31, 2022		EUR	83.86	7,901	13,186	29,544	8,456	4,794	3,831	330	-	330	4,310	100%	UAE
2	Motherson Electrical Wires Lanka Private Limited	March 31, 2022		USD	75.79	12	699	729	18	-	1,429	259	36	223	188	100%	Sri Lanka
3	MSSL (GB) Limited	March 31, 2022		GBP	99.53	22,603	15,334	43,600	5,664	32,017	4,755	944	74	870	-	100%	UK
4	MSSL Japan Limited	March 31, 2022		JPY	0.62	11	-21	838	848	6	1,282	-26	0	-27	-	100%	Japan
5	MSSL WH System (Thailand) Co., Ltd	March 31, 2022		THB	2.28	342	569	1,659	749	-	2,416	441	21	420	-	100%	Thailand
6	MSSL Korea WH Limited	March 31, 2022		KRW	0.06	12	-29	60	76	-	81	-7	0	-7	-	100%	Korea
7	MSSL Mexico S.A. De C.V.	December 31, 2021		MXP	3.82	436	409	1,108	263	-	1,870	202	61	141	-	100%	Mexico
8	MSSL Wiring System Inc	March 31, 2022		USD	75.79	2,584	4,220	10,696	3,892	-	20,135	1,885	257	1,627	531	100%	USA
9	Alphabet de Mexico, S.A. de C.V.	December 31, 2021	August 1, 2014	MXP	3.82	7	119	625	499	-	2,403	144	64	80	101	100%	Mexico
10	Alphabet de Mexico de Monclova, S.A. de C.V.	December 31, 2021	August 1, 2014	MXP	3.82	0	75	350	275	-	1,596	92	30	62	49	100%	Mexico
11	Alphabet de Saltillo, S.A. de C.V.	December 31, 2021	August 1, 2014	MXP	3.82	0	35	668	632	-	2,085	101	57	44	75	100%	Mexico
12	MSSL Wittings Juarez, S.A. de C.V.	December 31, 2021		MXP	3.82	0	4	14	9	-	101	5	3	2	4	100%	Mexico
13	MSSL Tooling (FZE)	March 31, 2022		EUR	83.86	3	2,796	3,785	986	-	2,725	610	-	610	-	100%	UAE
14	MSSL Global PSA Module Engineering Limited	March 31, 2022	November 1, 2009	ZAR	5.19	311	3,120	8,433	5,002	-	8,977	1,335	346	989	-	100%	South Africa
15	Vacuform 2000 (Proprietary) Limited	March 31, 2022	July 1, 2011	ZAR	5.19	6	7	734	721	-	698	-8	-8	-0	-	51%	South Africa
16	MSSL Australia Pty Limited	March 31, 2022		AUD	56.69	198	125	366	43	0	-	123	3	120	-	80%	Australia
17	Motherson Elastomers Pty Limited	March 31, 2022		AUD	56.69	0	521	1,003	482	-	2,382	183	53	130	113	100%	Australia
18	Motherson Investments Pty Limited	March 31, 2022		AUD	56.69	0	31	189	158	-	-	13	6	7	-	100%	Australia
19	MSSL Ireland Private Limited	March 31, 2022	March 25, 2002	EUR	83.86	4	30	43	9	-	-	2	-0	2	-	100%	Ireland
20	MSSL Mauritius Holdings Limited	March 31, 2022		EUR	83.86	3,172	3,747	36,717	29,799	2,114	-	642	-	642	-	100%	Mauritius
21	MSSL (S) Pre Limited	March 31, 2022		SGD	55.94	1,150	96	1,247	1	973	-	9	-	9	-	100%	Singapore
22	Motherson Wiring System (FZE)	March 31, 2022		EUR	83.86	3	-103	125	225	-	-	8	-	8	-	100%	UAE
23	Samvardhana Motherson Global Holdings Ltd.	March 31, 2022		EUR	83.86	169	74,526	1,03,618	28,925	75,385	-	43	6	37	-	51%	Cyprus
24	Samvardhana Motherson Polymers Limited	March 31, 2022		INR	1.00	38	491	529	0	528	-	-0	-	-0	-	51%	India

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25	Motherson Innovations Tech Limited	March 31, 2022		INR	100	1	7	31	23	-	69	7	2	5	100%	India	
26	MSSL Consolidated Inc.	March 31, 2022		USD	75.79	2,660	-997	2,631	968	2,584	532	496	-	498	100%	USA	
27	MSSL Estonia WH OÜ	March 31, 2022		EUR	83.86	-	33,007	16,621	47,883	-	1,595	-	-	1,595	100%	Estonia	
28	Global Environment Management (FZC)	March 31, 2022		USD	75.79	325	-335	75	85	-	106	27	-	27	100%	UAE	
29	MSSL GmbH	December 31, 2021		EUR	83.86	21	996	5,239	4,221	507	-70	-21	-91	-	100%	Germany	
30	Samvardhana Motherson Invest Deutschland GmbH	December 31, 2021		EUR	83.86	17	52	98	29	-	5	28	-	28	100%	Germany	
31	MSSL Advanced Polymers s.r.o.	December 31, 2021	December 01, 2006	CZK	3.44	7	300	1,859	1,552	1,613	-183	1	-194	-	100%	Czech Republic	
32	Motherson Techno Precision GmbH	December 31, 2021		EUR	83.86	84	-96	406	418	-	256	-37	-	-37	100%	Germany	
33	MSSL s.r.l. Unipersonale	December 31, 2021		EUR	83.86	1	19	21	1	-	30	2	0	1	100%	Italy	
34	Motherson Air Travel Pvt. Ltd	March 31, 2022		EUR	83.86	-	-651	1,391	2,042	-	259	-105	-	-105	100%	Ireland	
35	Motherson Techno Precision México, S.A. de C.V.	December 31, 2021		MXP	3.82	0	68	859	792	-	962	181	60	121	100%	Mexico	
36	MSSL Manufacturing Hungary Kft	March 31, 2022		EUR	83.86	1	-24	2,270	2,293	-	732	-167	1	-168	100%	Hungary	
37	Samvardhana Motherson Automotive Systems Group B.V.	March 31, 2022		EUR	83.86	6	98,865	1,777,778	78,908	1,10,048	80	2,435	199	2,235	100%	Netherlands	
38	Samvardhana Motherson Peguiform GmbH	March 31, 2022		EUR	83.86	2	-2	16,676	16,676	11,783	-	-1,892	221	-2,113	100%	Germany	
39	Samvardhana Motherson Innovative Autosystems Holding Company BV	March 31, 2022		EUR	83.86	8	1	10	1	-	-	0	-	0	100%	Netherlands	
40	SMP Automotive Interiors (Beijing) Co. Ltd.	December 31, 2021		CNY	11.96	508	1,389	4,123	2,226	-	8,791	1,307	203	1,104	897	100%	China
41	SMP Automotive Exterior GmbH	March 31, 2022		EUR	83.86	2	1,400	7,243	5,840	2	13,649	543	-	543	100%	Germany	
42	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	March 31, 2022		EUR	83.86	463	-	8,669	8,205	-	11,063	-2,081	-0	-2,081	100%	Germany	
43	SM Real Estate GmbH	March 31, 2022		EUR	83.86	2	268	808	539	-	152	66	10	56	100%	Germany	
44	Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V.	December 31, 2021	January 30, 2015	MXP	3.82	952	-169	1,965	1,182	-	1,084	19	13	6	100%	Mexico	
45	SMP Deutschland GmbH	March 31, 2022	November 23, 2011	EUR	83.86	2	6,218	52,884	46,664	918	80,207	-1,862	99	-1,960	100%	Germany	
46	SMP Automotive Solutions Slovakia s.r.o.	March 31, 2022	November 23, 2011	EUR	83.86	0	-2,248	109	2,357	-	440	-302	-	-302	100%	Slovakia	
47	SMP Logistik Service GmbH	March 31, 2022	November 23, 2011	EUR	83.86	2	47	90	41	-	319	0	-	0	100%	Germany	
48	Changchun Peguiform Automotive Plastics Technology Co., Ltd.	December 31, 2021	November 23, 2011	CNY	11.96	992	9,402	20,169	9,775	1,913	26,134	3,017	407	2,610	461	50%-ishare	China

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49	SMP Automotive Technology Management Services (Changchun) Co. Ltd.	December 31, 2021	November 23, 2011	CNY	11.96	-	-	-	-	-	-	-	-	-	100%	China	
50	Foshan Peguiform Automotive Plastics Technology Co. Ltd.	December 31, 2021		CNY	11.96	717	669	4,729	3,342	-	4,407	496	92	403	100%	China	
51	SMP Automotive Technology Iberica S.L.	March 31, 2022	November 23, 2011	EUR	83.86	1,695	9,661	21,067	9,711	5,966	19,275	2,111	230	1,881	100%	Spain	
52	SMP Automotive Technologies Teruel Sociedad Limitada	March 31, 2022	November 23, 2011	EUR	83.86	42	253	496	201	-	947	22	5	16	100%	Spain	
53	Samvardhana Motherson Peguiform Barcelona S.L.U	March 31, 2022	November 23, 2011	EUR	83.86	21	585	6,550	5,943	-	1,580	141	31	110	100%	Spain	
54	SMP Automotive Produtos Automotivos do Brasil Ltda.	March 31, 2022	November 23, 2011	BRL	15.99	8,115	-10,598	2,433	4,917	-	7,266	149	-	149	100%-ishare	Brazil	
55	SMP Automotive Systems Mexico S.A. de C.V.	December 31, 2021	November 23, 2011	MXP	3.82	3,699	1,134	15,345	10,512	-	17,247	-119	-78	-40	100%-ishare	Mexico	
56	Samvardhana Motherson Peguiform Automotive Technology Portugal S.A.	March 31, 2022	November 23, 2011	EUR	83.86	8	659	3,161	2,494	-	7,096	807	156	651	100%	Portugal	
57	SMP Automotive Systems Alabama Inc.	March 31, 2022		USD	75.79	-	12,139	28,747	16,608	-	40,234	289	657	-369	100%	USA	
58	Celulosa Fabril (Cefia) S.A.	December 31, 2021	November 23, 2011	EUR	83.86	5	2,698	3,929	1,225	168	3,732	538	141	397	50%	Spain	
59	Modulos Ribera Alta S.L.Unipersonal	December 31, 2021		EUR	83.86	168	3,753	4,981	1,060	-	5,571	722	151	570	100%	Spain	
60	Motherson Innovations Lights GmbH & Co KG	March 31, 2022	January 02, 2017	EUR	83.86	2	-39	60	97	2	127	8	-	8	100%	Germany	
61	Motherson Innovations Lights Verwaltungs GmbH	March 31, 2022	January 02, 2017	EUR	83.86	2	0	3	0	-	-	0	0	0	100%	Germany	
62	Tianjin SMP Automotive Component Company Limited	December 31, 2021		CNY	11.96	359	-156	2,752	2,549	-	2,895	254	31	223	100%	China	
63	Shenyang SMP Automotive Plastic Component Co. Ltd.	December 31, 2021		CNY	11.96	239	-49	445	255	-	841	19	-	19	100%	China	
64	SMP Automotive Interior Modules d.o.o. Cuprija	March 31, 2022		EUR	83.86	1,479,902	-1,14,801	4,02,639	3,69,538	-	17,304	-96,405	2,723	-99,128	-	100%	Serbia
65	Shenyang SMP Automotive Trim Co., Ltd	December 31, 2021		CNY	11.96	598	-265	2,711	2,379	-	187	-260	-	-260	-	100%	China
66	Samvardhana Motherson Reflectec Group Holdings Limited	March 31, 2022		EUR	83.86	2,554	15,574	18,568	441	7,979	101	-280	-	-280	98.45%	Jersey	
67	SMR Automotive Technology Holding Cyprus Limited	March 31, 2022	March 06, 2009	EUR	83.86	168	3,107	5,311	2,036	5,307	176	53	-	53	100%	Cyprus	
68	SMR Automotive Brasil Ltda.	December 31, 2021		BRL	15.99	1,320	-540	1,752	972	-	1,827	-137	43	-180	100%	Brasil	
69	SMR Automotive Mirror Technology Holding Hungary KFT	March 31, 2022	March 06, 2009	EUR	83.86	3	2,127	2,132	3	1,558	291	1	290	176	100%	Hungary	
70	SMR Holding Australia Pty Limited	March 31, 2022	March 06, 2009	AUD	56.69	1,924	-51	1,877	4	1,835	-	-0	-0	-0	100%	Australia	



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71	SMR Automotive Australia Pty Limited	March 31, 2022	March 06, 2009	AUD	56.69	640	3,359	1,779	30	4,010	210	76	135	-	100%	Australia	
72	SMR Automotive Mirror Technology Hungary BT	March 31, 2022	March 06, 2009	EUR	83.86	85	24,023	20,183	1	44,950	1,995	30	1,966	-	100%	Hungary	
73	SMR Automotive Systems France S.A.	March 31, 2022	March 06, 2009	EUR	83.86	66	1,309	1,255	-	3,538	-340	-27	-313	-	100%	France	
74	SMR Automotive Systems India Limited	March 31, 2022	March 06, 2009	INR	1.00	137	4,565	1,513	-	5,686	323	59	264	-	100%	India	
75	SMR Automotive System (Thailand) Limited	March 31, 2022		THB	2.28	1,076	-397	441	-	1,568	113	-	113	-	100%	Thailand	
76	SMR Automotive Mirror Parts and Holdings UK Ltd	March 31, 2022	March 06, 2009	EUR	83.86	0	17,097	5,913	4,983	252	1,233	63	1,170	-	100%	UK	
77	SMR Patents S.à.r.l.	March 31, 2022	March 06, 2009	EUR	83.86	1	-1	98	97	300	29	14	16	-	100%	Luxembourg	
78	SMR Automotive Technology Valencia S.A.U.	March 31, 2022	March 06, 2009	EUR	83.86	209	-4	209	4	5	2	0	2	-	100%	Spain	
79	SMR Automotive Mirrors UK Limited	March 31, 2022	March 06, 2009	EUR	83.86	-	1,232	4,154	2,922	-	8,725	6	-42	49	-	100%	UK
80	SMR Automotive Mirror Systems Holding Deutschland GmbH	March 31, 2022	March 06, 2009	EUR	83.86	2	4,166	396	942	130	627	128	498	-	100%	Germany	
81	SMR Hysang Automotive Ltd.	March 31, 2022	March 06, 2009	KRW	0.06	28	2,221	3,276	-	4,006	164	38	126	-	100%	Korea	
82	SMR Automotive Modules Korea Ltd.	March 31, 2022	March 06, 2009	KRW	0.06	251	4,648	7,944	2,248	17,261	-170	219	-388	-	100%	Korea	
83	SMR Automotive Beteiligungen Deutschland GmbH	March 31, 2022	March 06, 2009	EUR	83.86	2	61	263	-	14	64	5	59	-	100%	Germany	
84	SMR Automotive Systems Spain S.A.U.	March 31, 2022	March 06, 2009	EUR	83.86	98	1,859	5,715	185	5,286	743	100	643	323	100%	Spain	
85	SMR Automotive Vision Systems Mexico S.A. de C.V.	December 31, 2021	March 06, 2009	MXN	3.82	386	1,731	5,054	2,937	6,812	775	191	585	974	100%	Mexico	
86	SMR Automotive Mirrors Stuttgart GmbH	March 31, 2022	March 06, 2009	EUR	83.86	2	2,770	2,768	1,862	4,266	1,100	54	1,047	-	100%	Germany	
87	SMR Grundbesitz GmbH & Co. KG	March 31, 2022	March 06, 2009	EUR	83.86	5	304	312	3	94	63	-7	69	65	93%	Germany	
88	SMR Mirror UK Limited	March 31, 2022	March 06, 2009	EUR	83.86	3,443	-1,704	12,006	11,969	-	-1,136	-	-1,136	-	100%	UK	
89	SMR Automotive Systems USA Inc.	March 31, 2022	March 06, 2009	USD	75.79	6	6,301	9,395	-	29,532	2,413	392	2,021	-	100%	USA	
90	SMR Automotive Mirror International USA Inc.	March 31, 2022	March 06, 2009	USD	75.79	5,744	9,748	16,058	566	16,015	-	18	5	13	-	100%	USA
91	SMR Automotive Vision System Operations USA INC	March 31, 2022		USD	75.79	4,285	10,122	48,213	33,145	-	599	-207	806	-	100%	USA	
92	SMR Automotive Beijing Company Limited	December 31, 2021	March 06, 2009	CNY	11.96	40	425	456	-9	29	12	0	12	-	100%	China	
93	SMR Automotive Yanheng Co. Limited	December 31, 2021	March 06, 2009	CNY	11.96	528	647	2,693	1,517	4,264	76	1	75	-	100%	China	
94	SMR Automotive Holding Hong Kong Limited	March 31, 2022	March 06, 2009	EUR	83.86	193	286	480	2	479	-1	-	-1	-	100%	Hong Kong	
95	SMR Automotive Operations Japan K.K.	March 31, 2022		JPY	0.62	16	-58	84	127	260	22	4	18	-	100%	Japan	

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96	SMR Automotive (Langfang) Co. Ltd	December 31, 2021		CNY	11.96	1,313	3,794	3,362	-	7,842	133	-	133	-	100%	China	
97	SMR Automotives Systems Macedonia Dooel Skopje	December 31, 2021		MKD	1.37	0	-15	16	-	-	0	-	0	-	100%	Macedonia	
98	Samvardhana Motherson Global (FZE)	March 31, 2022		USD	75.79	3	51	310	256	462	16	-	16	91	100%	UAE	
99	Motherson Innovations Company Limited	March 31, 2022		EUR	83.86	5,880	-4,736	1,208	63	1,116	-	-494	-494	-	100%	UK	
100	Motherson Innovations Deutschland GmbH	March 31, 2022		EUR	83.86	2	54	78	22	162	6	2	4	-	100%	Germany	
101	SMR Automotive Industries RUS Limited Liability Company	December 31, 2021		RUB	0.96	26	-5	22	1	16	-1	-0	-1	-	100%	Russia	
102	Samvardhana Motherson Corp Management Shanghai Co Ltd.	December 31, 2021		CNY	11.96	187	-58	159	31	186	-45	-1	-44	-	100%	China	
103	Re-Time PTY Ltd	March 31, 2022		AUD	56.69	63	-55	16	8	24	-6	-	-6	-	71%	Australia	
104	Motherson Business Service Hungary Kft.	March 31, 2022		EUR	83.86	1	-0	1	0	-	-0	-	-0	-	100%	Hungary	
105	PKC Group Oy	March 31, 2022	March 27, 2017	EUR	83.86	521	9,205	28,300	18,574	4,934	1,307	3	1,304	1,720	100%	Finland	
106	PKC Wiring Systems Oy	March 31, 2022	March 27, 2017	EUR	83.86	18	5,725	28,889	23,146	5,227	1,448	225	1,224	1,224	100%	Finland	
107	Wisetime Oy	March 31, 2022	March 06, 2020	EUR	83.86	1	100	162	62	250	-102	-	100	100	100%	Finland	
108	Motherson PKC Harness Systems FZ-LLC	March 31, 2022		EUR	83.86	3	-265	840	1,102	250	-102	-	-102	-	100%	UAE	
109	PKC Group Poland Sp. z o.o.	December 31, 2021	March 27, 2017	PLN	18.07	370	-1,078	6,206	6,913	17,141	9	161	-152	-	100%	Poland	
110	PKC SEGU Systemelektrik GmbH	December 31, 2021	March 27, 2017	EUR	83.86	2	-33	1,221	1,252	1,784	5	-152	156	-	100%	Germany	
111	PKC Wiring Systems Llc	December 31, 2021	March 27, 2017	RSD	0.71	1,793	-3,314	3,774	5,295	6,627	-1,702	-0	-1,702	-	100%	Serbia	
112	PKC Eesti AS	March 31, 2022	March 27, 2017	EUR	83.86	86	14,840	17,796	2,870	6,049	12,765	213	-4	217	-	100%	Estonia
113	TKV sejarat Oy	March 31, 2022	March 27, 2017	EUR	83.86	1	9	26	16	4	1	1	1	-	100%	Finland	
114	OOO AEK	December 31, 2021	March 27, 2017	RUB	0.96	67	315	728	345	1,376	59	13	46	-	100%	Russia	
115	PKC Group Lithuania UAB	March 31, 2022	March 27, 2017	EUR	83.86	12	840	1,237	384	2,314	114	18	96	-	100%	Lithuania	
116	PK Cables do Brasil Ltda	March 31, 2022	March 27, 2017	BRL	15.99	5,205	-4,086	5,357	4,238	10,139	1,510	435	1,075	-	100%	Brazil	
117	PKC Group Canada Inc.	March 31, 2022	March 27, 2017	CAD	60.63	857	-522	335	1	4	2	0	1	-	100%	Canada	
118	PKC Group Mexico S.A. de C.V.	December 31, 2021	March 27, 2017	MXN	3.82	0	153	153	-0	-	-	-	-	-	100%	Mexico	
119	Project del Holding S.a.r.l.	December 31, 2021	March 27, 2017	EUR	83.86	639	724	1,366	3	584	-0	1	-1	-	100%	Luxembourg	
120	AES Manufacturera, S. De R.L. de C.V.	December 31, 2021	March 27, 2017	MXN	3.82	64	888	2,080	1,129	3,104	150	21	129	-	100%	Mexico	
121	Arneses de Ciudad Juarez, S. de R.L. de C.V.	December 31, 2021	March 27, 2017	MXN	3.82	0	82	171	89	393	43	12	31	-	100%	Mexico	
122	Arneses y Accesorios de México, S. de R.L. de C.V.	December 31, 2021	March 27, 2017	MXN	3.82	0	458	2,690	2,232	6,562	366	101	265	-	100%	Mexico	
123	Cableados del Norte II, S. de R.L. de C.V.	December 31, 2021	March 27, 2017	MXN	3.82	0	433	854	421	2,273	175	44	131	-	100%	Mexico	

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124	Aesoria Mexicana Empresarial, S. de R.L. de C.V.	December 31, 2021	March 27, 2017	MXP	3.82	8	188	367	172	709	73	19	54	-	100%	Mexico	
125	Manufacturas de Componentes Electricos de Mexico S. de R.L. de C.V.	December 31, 2021	March 27, 2017	MXP	3.82	2	2	9	5	-	-	0	-0	-	100%	Mexico	
126	PKC Group de Piedras Negras, S. de R.L. de C.V.	December 31, 2021	March 27, 2017	MXP	3.82	0	135	282	147	572	54	15	39	-	100%	Mexico	
127	PKC Group AES Commercial S. de R.L. de C.V.	December 31, 2021	March 27, 2017	MXP	3.82	0	53	107	54	230	11	3	8	-	100%	Mexico	
128	PKC Group USA Inc.	December 31, 2021	March 27, 2017	USD	75.79	1,024	-13,518	4,485	16,979	4,517	381	-1,438	1,818	-	100%	USA	
129	AEES Inc.	December 31, 2021	March 27, 2017	USD	75.79	0	12,052	21,967	9,915	723	725	1,406	-681	-	100%	USA	
130	AEES Power Systems Limited partnership	December 31, 2021	March 27, 2017	USD	75.79	-	1,828	2,059	231	-	-849	86	-671	-	100%	USA	
131	Fortitude Industries Inc.	December 31, 2021	April 01, 2017	USD	75.79	1	791	2,801	2,009	1,556	-129	-43	-86	-	100%	USA	
132	PKC Vehicle Technology (Hefei) Co. Ltd.	December 31, 2021	March 27, 2017	CNY	11.96	131	3,065	1,739	149	6,961	103	11	92	39	50%	China	
133	PKC Vehicle Technology (Suzhou) Co. Ltd.	December 31, 2021	March 27, 2017	CNY	11.96	1,036	-889	345	209	-	15	-9	24	-	100%	China	
134	Jiangsu Huakai-PKC Wire Harness Co., Ltd.	December 31, 2021	March 27, 2017	CNY	11.96	2,212	2,721	8,547	3,615	11,966	-107	-50	-57	63	50%	China	
135	Shangdong Huakai-PKC Wire Harness Co., Ltd.	December 31, 2021		CNY	11.96	1,196	497	3,12	1,420	-	164	50	113	-	100%	China	
136	PKC Vehicle Technology (Fuyang) Co., Ltd.	December 31, 2021		CNY	11.96	149	-35	448	334	-	-35	-	-35	-	100%	China	
137	PKC Group APAC Limited	December 31, 2021	March 27, 2017	HKD	9.68	5	-3,179	2,843	6,017	2,155	-250	23	-273	-	100%	Hong Kong	
138	Kabel-Technik-Polska Sp. z o.o.	March 31, 2022	March 27, 2017	PLN	18.07	284	1,525	4,822	3,013	0	6,747	72	17	54	-	100%	Poland
139	PKC Group Poland Holding Sp. z o.o.	December 31, 2021	March 27, 2017	PLN	18.07	379	340	3,829	3,110	1,892	-35	18	-53	-	100%	Poland	
140	Groclin Luxembourg S.à.r.l.	December 31, 2021	March 27, 2017	EUR	83.86	223	1,648	1,885	13	1,885	-2	-	-2	-	100%	Luxembourg	
141	T.I.C.S. Corporation	December 31, 2021	March 27, 2017	USD	75.79	-	-	-	-	-	-	-	-	-	100%	USA	
142	Motherson Rolling Stock Systems GB Ltd	March 31, 2022		GBP	99.53	-	-	-	-	-	-	-	-	-	100%	United Kingdom	
143	Motherson Rolling Stocks, S. de R.L. de C.V.	March 31, 2022	April 30, 2021	GBP	99.53	0	-2	255	258	-	318	5	4	0	100%	Mexico	
144	SMRC Automotive Holdings B.V.	March 31, 2022	August 2, 2018	USD	75.79	0	830	892	62	38	-34	-	-34	-	100%	Netherlands	
145	SMRC Automotives Technology Phill Inc.	March 31, 2022	August 2, 2018	PHP	1.47	73	-164	269	360	-	69	-20	-8	-12	100%	Philippines	
146	SMRC Automotive Smart Interior Tech (Thailand) Ltd.	March 31, 2022	August 2, 2018	THB	2.28	1,280	-425	1,454	600	1,707	182	-	182	-	100%	Thailand	
147	SMRC Automotive Interiors Spain S.L.U.	March 31, 2022	August 2, 2018	EUR	83.86	1,282	2,981	6,888	2,626	-	9,456	314	64	250	100%	Spain	
148	SMRC Automotive Modules France SAS	March 31, 2022	August 2, 2018	EUR	83.86	559	3,668	18,430	14,203	-	30,929	-160	-117	-43	100%	France	

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149	SMRC Smart Interior Systems Germany GmbH	March 31, 2022	August 2, 2018	EUR	83.86	2	222	520	296	380	22	7	15	-	100%	Germany
150	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda.	March 31, 2022	August 2, 2018	BRL	15.99	1,369	-313	2,904	1,848	494	192	-242	433	-	100%	Brazil
151	Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd.	December 31, 2021	August 2, 2018	CNY	11.96	12	12	27	3	57	3	0	3	-	100%	China
152	SMRC Automotive Products India Private Limited	March 31, 2022	August 2, 2018	INR	1.00	1,166	698	4,758	2,894	5,470	293	101	192	-	100%	India
153	Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.	March 31, 2022	August 2, 2018	EUR	83.86	1,324	1,599	2,966	43	2,396	-3	-13	9	-	100%	Spain
154	SMRC Automotive Interiors Japan Ltd.	March 31, 2022	August 2, 2018	JPY	0.62	62	-56	125	119	-	37	17	20	-	100%	Japan
155	Yujin SMRC Automotive Techno Corp.	March 31, 2022	August 2, 2018	KRW	0.06	530	1,243	4,037	2,263	6,257	291	-11	302	-	51%	Korea
156	SMRC Automotive Interior Modules Croatia d.o.o.	March 31, 2022	August 2, 2018	HRK	11.08	0	12	15	2	-	1	0	1	-	100%	Croatia
157	SMRC Automotive Solutions Slovakia s.r.o.	March 31, 2022	August 2, 2018	EUR	83.86	347	501	3,513	2,664	3,130	-459	-272	-186	-	100%	Slovakia
158	SMRC Automotive Technology RU LLC	December 31, 2021	August 2, 2018	RUB	0.96	1,087	-352	1,007	273	1,587	321	44	277	-	100%	Russian Federation
159	SMRC Automotive Holdings Netherlands B.V.	March 31, 2022	August 2, 2018	EUR	83.86	0	5,547	14,374	8,826	10,623	6	-271	41	-312	100%	Netherlands
160	SMRC Automotives Techno Minority Holdings B.V.	March 31, 2022	August 2, 2018	EUR	83.86	0	84	92	7	8	19	3	16	-	100%	Netherlands
161	SMRC Automotive Tech Argentina S.A.	March 31, 2022	August 2, 2018	ARS	0.68	697	-174	1,335	812	671	-160	-	-160	-	100%	Argentina
162	Samvardhana Motherson Reydel Autotec Morocco SAS	March 31, 2022	August 2, 2018	MAD	7.82	969	-909	2,580	2,520	2,036	-219	11	-230	-	100%	Morocco
163	PT SMRC Automotive Technology Indonesia	March 31, 2022	August 2, 2018	IDR	0.01	14	-73	7	67	-	-28	-0	-28	-	100%	Indonesia
164	SMRC Automotive Holding South America B.V.	March 31, 2022	August 2, 2018	USD	75.79	0	1,359	1,364	5	1,359	0	0	0	-	100%	Netherlands
165	SMRC Automotive Modules South America Minority Holdings B.V.	March 31, 2022	August 2, 2018	USD	75.79	0	29	30	2	30	0	0	0	-	100%	Netherlands
166	Motherson Innovations LLC	March 31, 2022		USD	75.79	-	-	-	-	-	-	-	-	-	-	USA
167	Motherson Osse Innovations LLC	March 31, 2022		USD	75.79	-	-	-	-	-	-	-	-	-	51%	USA
168	SMR Plast Met.Molds and Tools Turkey Kalip Inalat Anonim Sirketi	December 31, 2021	April 29, 2021	TRY	5.17	44	159	677	474	651	37	17	20	-	75%	Turkey
169	SMR Plast Met. Automotive Tec Turkey Plastik Inalat Anonim Sirketi	December 31, 2021	April 29, 2021	TRY	5.17	77	230	743	435	752	22	24	-2	-	75%	Turkey

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170	Motherson Consultancies Service Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	26	53	101	21	69	38	11	27	-	100%	India
171	Samvardhana Motherson Finance Service Cyprus Limited <sup>1</sup>	March 31, 2022	January 24, 2022	USD	75.79	3	711	736	22	733	-63	0	-63	-	100%	Cyprus
172	Samvardhana Motherson Holding (M) Private Limited <sup>1</sup>	March 31, 2022	January 24, 2022	EUR	83.86	116	-5,071	1,811	6,766	1,323	-79	2	-81	-	100%	Mauritius
173	Samvardhana Motherson Auto Component Private Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	290	-837	1,215	1,763	634	-266	-	-266	-	100%	India
174	MS Global India Automotive Private Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	700	-1,285	2,627	3,212	4,298	-263	-	-263	-	100%	India
175	Samvardhana Motherson Maadhyan International Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	1	-17	1	17	-	-2	-	-2	-	100%	India
176	Samvardhana Motherson Global Carriers Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	460	-126	811	477	460	-46	-2	-44	-	100%	India
177	Samvardhana Motherson Innovative Solutions Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	3,192	4,492	10,066	2,372	7,238	914	-62	-62	-	100%	India
178	Samvardhana Motherson Refrigeration Product Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	40	-493	8	461	-	-21	-	-21	-	100%	India
179	Motherson Machinery and Automations Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	5	8	22	10	36	1	0	1	-	100%	India
180	Samvardhana Motherson Auto System Private Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	10	-118	126	235	265	-4	-	-4	-	100%	India
181	Motherson Sintermetal Technology B.V. <sup>1</sup>	December 31, 2021	January 24, 2022	EUR	83.86	6	-4,312	0	4,306	-	-165	-	-165	-	100%	Netherlands
182	Motherson Invenzen Xlab Private Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	0	-368	53	421	129	-18	-	-18	-	100%	India
183	Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited) <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	130	300	3,245	2,816	45	-426	-44	-382	-	62.9%	India
184	MSID US Inc (held by Motherson Technology Services Limited) <sup>1</sup>	March 31, 2022	January 24, 2022	USD	75.79	0	-8	169	177	326	-37	0	-37	-	100%	USA
185	MothersonSumi Infotek and Designs GmbH <sup>1</sup>	March 31, 2022	January 24, 2022	EUR	83.86	2	154	440	284	746	-6	-	-6	-	100%	Germany
186	MothersonSumi Infotech and Designs S.G. Pte. Limited <sup>1</sup>	March 31, 2022	January 24, 2022	SGD	55.94	100	-187	89	176	13	-66	-	-66	-	100%	Singapore
187	MothersonSumi Infotech & Designs KK <sup>1</sup>	March 31, 2022	January 24, 2022	JPY	0.62	17	-337	75	394	83	-93	0	-93	-	86%	Japan
188	Motherson Infotek Designs Mid East FZ-LLC <sup>1</sup>	March 31, 2022	January 24, 2022	AED	20.64	8	-69	20	81	2	-60	-	-60	-	100%	UAE
189	Motherson Infotech and Solutions UK Ltd <sup>1</sup>	March 31, 2022	January 24, 2022	GBP	99.53	10	-97	176	263	6	-99	-	-99	-	100%	UK

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190	Motherson Auto Engineering Service Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	35	-33	2	0	-	-0	0	-0	-	100%	India	
191	Samvardhana Motherson Health Solutions Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	0	-186	37	223	130	-67	-	-67	-	100%	India	
192	SMI Technologies Inc. <sup>1</sup>	March 31, 2022	January 24, 2022	USD	75.79	8	-148	0	140	-	-6	-	-6	-	100%	USA	
193	Motherson Information Technologies Spain S.L.U. <sup>1</sup>	March 31, 2022	January 24, 2022	EUR	83.86	8	6	70	55	189	9	2	6	-	100%	Spain	
194	Samvardhana Motherson Virtual Analysis Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	0	-0	0	0	-	0	-	0	-	100%	India	
195	SAKS Ancillaries Limited <sup>1a2</sup>	March 31, 2022	January 24, 2022	INR	100	25	93	118	0	-	5	1	4	-	98.3%	India	
196	Samvardhana Motherson Hamakyorex Engineered Logistics Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	920	-218	727	25	198	-48	-	-48	-	50%	India	
197	Motherson Techno Tools Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	33	1,331	1,899	535	2	382	126	257	-	60%	India	
198	Motherson Techno Tools Mideast FZE <sup>1</sup>	March 31, 2022	January 24, 2022	USD	75.79	3	221	267	43	115	17	-	17	-	100%	UAE	
199	Motherson Molds and Diecasting Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	68	82	424	274	228	13	3	10	-	71%	India	
200	Motherson Air Travel Agencies Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	8	352	444	84	185	46	9	37	-	74%	India	
201	CTM India Limited <sup>1</sup>	March 31, 2022	January 24, 2022	INR	100	29	1,046	2,445	1,370	33	1,288	341	105	236	-	41%	India
202	Motherson Air Travel Agency GmbH	March 31, 2022	March 4, 2022	EUR	83.86	2	14	27	11	90	-7	0	-7	-	100%	Germany	

**Notes:**

- Became subsidiary of the Company pursuant to the Composite Scheme of Amalgamation and Arrangement, between the Company and erstwhile Samvardhana Motherson International Limited (erstwhile SAMIL) from the effective date of merger.
- Prior to the effective date of Composite Scheme, subsidiary company "SAKS Ancillaries Limited" was an Associate of the Company.
- Subsidiary companies "SMRC Automotive Interiors Products Poland SA" was liquidated on April 06, 2021, "SMRC Smart Automotive Interior Technologies USA, LLC" was liquidated on May 07, 2021.



## Part "B": Associates and Joint Ventures

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company as on March 31, 2022		Description of how there is significant influence	Reason why the associate/joint venture is not Consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
		No.	Amount of Investment in Associates/ Joint Venture				Extend of Holding %	Considered in Consolidation
Kyungshin Industrial Motherson Limited	March 31, 2022	8,600,000	86	50%	The Company carries out the equity method of accounting	1,045	-2,023	
Calsonic Kansai Motherson Auto Products Private Limited	March 31, 2022	30,930,836	400	49%	The Company carries out the equity method of accounting	778	152	
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	December 31, 2021	-	598	50%	The Company carries out the equity method of accounting	3,091	1,661	
Chongqing SMR Huaxiang Automotive Products Limited	December 31, 2021	-	239	50%	The Company carries out the equity method of accounting	595	102	
Tianjin SMR Huaxiang Automotive Part Co. Limited	December 31, 2021	-	179	50%	The Company carries out the equity method of accounting	179	16	
Nanchang Jiangling Group SMR Huaxiang Automotive Products Limited	December 31, 2021	-	201	30%	The Company carries out the equity method of accounting	263	88	
Eissmann SMP Automotive Interieur Slovakia s.r.o.	December 31, 2021	-	232	49%	The Company carries out the equity method of accounting	70	-37	
Hubei Zhenggao PKC Automotive Wiring Company Ltd.	December 31, 2021	-	948	40%	The Group controls 40% share holding of Hubei Zhenggao PKC Automotive Wiring Company Limited	960	270	
AES (India) Engineering Limited <sup>1</sup>	March 31, 2022	1,248,000	44	26%	The Group controls 26% share holding of AES (India) Engineering Limited	16	7	3
Motherson Sumi Wiring India Limited <sup>2</sup>	March 31, 2022	1,055,750,653	36,729	33%	Joint Control along with its joint venture partner	3,726	464	
Anest Iwata Motherson Coating Equipment Private Limited <sup>1</sup>	March 31, 2022	98,000	392	49%	Joint Control along with its joint venture partner	67	18	22
Anest Iwata Motherson Private Limited <sup>1</sup>	March 31, 2022	18,906,650	1,511	49%	Joint Control along with its joint venture partner	356	44	148
Marelli Motherson Automotive Lighting India Private Ltd. <sup>1</sup>	March 31, 2022	1,900,000	9,485	50%	Joint Control along with its joint venture partner	1,614	463	947

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		No.	Amount of Investment in Associates/ Joint Venture				Extend of Holding %	Considered in Consolidation
Marelli Motherson Auto Suspension Parts Pvt Ltd <sup>1</sup>	March 31, 2022	113,450,000	1,268	50%	The Company carries out the equity method of accounting	435	26	8
Valeo Motherson Thermal Commercial Vehicles India Limited <sup>1</sup>	March 31, 2022	2,989,000	1,021	49%	The Company carries out the equity method of accounting	67	22	-18
Matsui Technologies India Limited <sup>1</sup>	March 31, 2022	1,999,999	1,230	50%-ishare	The Company carries out the equity method of accounting	141	8	52
Frigel Intelligent Cooling Systems India Private Limited <sup>1</sup>	March 31, 2022	2,500,000	25	25%	The Company carries out the equity method of accounting	4	-1	-10
Fritzmeier Motherson Cabin Engineering Private Limited <sup>1</sup>	March 31, 2022	25,000,000	1,202	50%	The Company carries out the equity method of accounting	323	8	49
Nissin Advanced Coating Indo Co. Private Limited <sup>1</sup>	March 31, 2022	6,860,000	69	49%	The Company carries out the equity method of accounting	56	3	-2
Motherson Bergstrom HVAC Solutions Private Limited <sup>1</sup>	March 31, 2022	6,500,000	65	50%	The Company carries out the equity method of accounting	75	12	28
Motherson Auto Solutions Limited <sup>1</sup>	March 31, 2022	271,160,000	2,048	66%	The Company carries out the equity method of accounting	2,513	-4	-45
Youngshin Motherson Auto Tech Limited <sup>1</sup>	March 31, 2022	11,776,100	118	50%	The Company carries out the equity method of accounting	6	-30	-42

## Notes:

<sup>1</sup> Became associate / joint venture of the Company pursuant to the Composite Scheme of Amalgamation and Arrangement, between the Company and erstwhile Samvardhana Motherson International Limited (erstwhile SAMIL) from the effective date of merger. The Group has considered profit and loss for the post acquisition period for consolidation. Profit and loss of the associate / joint venture companies for the year prior to acquisition period is reported as "not considered in consolidation" in above table. Investment amount reported in above table is the fair value of investment as on effective date of scheme recognised in the book of immediate parent company of the associate / joint venture, where as amount reported as "network attributable to shareholding as per latest audited Balance Sheet" amount is the book value of assets and liabilities recognised in standalone financial of respective associate / joint venture companies.

<sup>2</sup> Became joint venture of the Company pursuant to the Composite Scheme of Amalgamation and Arrangement, between the Company, Motherson Sumi Wiring India Limited (MSWIL) and erstwhile Samvardhana Motherson International Limited (erstwhile SAMIL) from the effective date of merger. Operations of MSWIL for the year prior to effective date of scheme was considered as discontinued operation in the consolidated financial of the Group. Profit amounting to ₹ 3.642 million pertaining to the period prior to the effective date of the Scheme has been excluded from amount reported as "Considered in Consolidation" in the above table. Investment amount reported in above table is the fair value of investment as on effective date of scheme recognised in the standalone financial statement of Samvardhana Motherson International Limited, where as amount reported as "network attributable to shareholding as per latest audited Balance Sheet" amount is the book value of assets and liabilities recognised in standalone financial of MSWIL.

(All amounts in ₹ Million, unless otherwise stated)



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## **SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED**

(Formerly Motherson Sumi Systems Limited)

(CIN-L34300MH1986PLC284510)

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

Corporate Office: 11th Floor, Plot No. 1, Sector-127, Noida-Greater Noida Expressway, Noida-201301

Phone: +91 120 6679500; Fax: +91 120 2521866;

E-mail: [investorrelations@motherson.com](mailto:investorrelations@motherson.com); Website: [www.motherson.com](http://www.motherson.com)

**NOTICE** is hereby given that the 35<sup>th</sup> (Thirty Fifth) Annual General Meeting ('AGM') of the members of Samvardhana Motherson International Limited (Formerly Motherson Sumi Systems Limited) is scheduled to be held on Monday, August 29, 2022 at 1515 Hours (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To consider and adopt:
  - (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with reports of the Board of Directors and Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the report of Auditors thereon.
2. To declare final dividend of Re. 0.65 (Sixty Five Paise only) on equity shares for the financial year ended March 31, 2022.
3. To appoint a Director in place of Mr. Laksh Vaaman Sehgal (DIN- 00048584), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(a) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No.- 301003E / E300005) having confirmed their eligibility for appointment as the Statutory Auditors of the Company and offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a second term of five (5) consecutive years from conclusion of 35<sup>th</sup> (Thirty Fifth) Annual General Meeting till the conclusion of 40<sup>th</sup> (Fortieth) Annual General Meeting to be held in the year 2027, at such remuneration, reimbursement of out-of-pocket expenses, travelling and other expenses incurred in connection with audit to be carried out by them, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors and as specified in the statement annexed to the notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to undertake all acts, deeds, things and matters and give all such directions as it may in its absolute discretion deem necessary, proper or expedient to give effect to this resolution.”



## **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and rules made thereunder, and subject to such approval(s), consent(s), sanction(s) and permission(s), if any, as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless context otherwise requires, any Committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; and (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person as they may in their absolute discretion deem fit and in the interest of the Company, upto an additional amount of INR 1,000 Million (Rupees One Thousand Million only), over and above existing loan(s), security(ies), guarantee(s) to any person or other body corporate or existing investment(s) made by the Company to any person or other body corporate as on March 31, 2022, provided that pursuant to first proviso of sub-section (3) of section 186 of the Act, the aforesaid additional limit(s) of INR 1,000 Million (Rupees One Thousand Million only), will continue to exclude, loan(s) given or to be given, or guarantee(s) or security(ies) provided or to be provided in future by the Company to its wholly owned subsidiary company(ies) or joint venture company(ies).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Company (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. M.R. Vyas and Associates, Practicing Cost and Management Accountants (Firm Registration No. 101394 with the Institute of Cost Accountant of India) appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-23, amounting upto INR 0.41 Million plus applicable taxes thereon besides reimbursement of out of pocket expenses on actuals incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless context otherwise requires, any Committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("**the Act**") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act, and the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and other applicable provisions of SEBI Listing Regulations, if any, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contract(s) / agreements(s) / arrangement(s) / transaction(s), between the Company with Motherson Sumi Wiring India Limited ("**MSWIL**") for the transactions as below:

- (a) sale / supply of components, such as wires, rubber parts, tools, jig, fixtures, connectors, certain capital items and other components, required to manufacture / assemble wiring harness;
- (b) purchase of wiring harness and other parts and/or components thereof;
- (c) to lease, sub-lease, license or sub-license properties, including providing maintenance services with respect of such properties(on need basis) for manufacturing units and other office premises;
- (d) to provide various functional support services towards design and development, engineering services, finance, procurement, logistics, human resource, information technology support, travel management, infrastructure support etc.; and
- (e) to provide various management services, including management support and advice, local relationships and ground level assistance;

up to such extent and on such terms and conditions as specified in the Explanatory Statement annexed to this Notice, subject to such transactions being undertaken on an arm's length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "**the Board**", which term shall be deemed to include, unless context otherwise requires, any Committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) be and are hereby authorised, to execute, deliver and perform such agreements, contracts, deeds and other documents on an ongoing basis and deal with any matters, take necessary steps in the matter as they may in their absolute discretion deem necessary or expedient and to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction(s) to be undertaken by the Company, and make such changes to the terms and conditions as may be considered necessary, expedient or desirable and execute such addendum agreements, documents and writings and to make such filings as may be necessary or desirable by the Board, in order to give effect to this Resolution.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("**the Act**") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act, and the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and other applicable provisions of SEBI Listing Regulations, if any, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contract(s) / agreements(s) / arrangement(s) / transaction(s), between the Company with SEI Thai Electric Conductor Co., Ltd., Thailand for purchase of copper up to such extent and on such terms and conditions as specified in the Explanatory Statement annexed to this Notice, subject to such transactions being undertaken on an arm's length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “**the Board**”, which term shall be deemed to include, unless context otherwise requires, any Committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) be and are hereby authorised, to execute, deliver and perform such agreements, contracts, deeds and other documents on an ongoing basis and deal with any matters, take necessary steps in the matter as they may in their absolute discretion deem necessary or expedient and to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction(s) to be undertaken by the Company, and make such changes to the terms and conditions as may be considered necessary, expedient or desirable and execute such addendum agreements, documents and writings and to make such filings as may be necessary or desirable by the Board, in order to give effect to this Resolution.”

By order of Board

Place: Noida, Uttar Pradesh

Date: July 04, 2022

Alok Goel

Company Secretary

Membership No. – FCS 4383

**Registered Office:**

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



## Notes:

- 1. A STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”) AND/OR AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, (“SEBI LISTING REGULATIONS”) CONCERNING THE BUSINESS UNDER ITEM NOS. 4-8 OF THE NOTICE IS ANNEXED HERETO.**
- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2022 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs, Government of India (“MCA Circulars”), physical attendance of the Members to the Annual General Meeting (“AGM”) venue is not required and that the general meeting shall be held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM and thus the attendance slip is not attached to this notice.
- Details required under the provisions of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (“SS-2”) and Regulation 36 of SEBI Listing Regulations including brief profile of Directors seeking appointment / re- appointment, are annexed hereto.
- Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for and on behalf of the members is not available for this AGM and hence the Proxy Form is not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- Institutional / Corporate Shareholders (i.e. other than individuals / HUF / NRI etc.) are required to send a scanned copy of its Board or governing body resolution / Authorisation etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [support@dpgupta.com](mailto:support@dpgupta.com) with a copy marked to [investorrelations@motherson.com](mailto:investorrelations@motherson.com).
- In case of joint holders attending the meeting, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- Members and authorised representatives are requested to provide duly completed and signed documents, mentioning therein details of their DP ID and Client ID / Folio No.
- The Members can join the AGM through the VC/OAVM mode 15 (fifteen) minutes before and after the scheduled time of the commencement of the AGM, by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first-come first-served basis. The limit of 1000 members will not include large Shareholders (Shareholders holding 2% or more of the shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first-come first-served basis.
- Register of Members and Share Transfer Books of the Company will be closed from Thursday, August 18, 2022 to Monday, August 22, 2022 (both days inclusive) for the purpose of AGM and payment of dividend for the Financial Year ended March 31, 2022.
- In terms of the provisions of the Income Tax, 1961 (as amended by the Finance Act, 2020) dividend paid or distributed by a company on or after April 1, 2020 is taxable in the hands of the shareholders. The

Company is, therefore required to deduct tax at source (“TDS”) at the time of payment of dividend. The Company vide an e-mail dated July 27, 2022 communicated to shareholders regarding deduction of TDS on dividend and procedure for submission of documents for tax rate determination/ deduction. In case of any query, the shareholders may reach out to KFin Technologies Limited (formerly KFin Technologies Private Limited) at [ris@kfintech.com](mailto:ris@kfintech.com) or to the Company at [investorrelations@motherson.com](mailto:investorrelations@motherson.com)

11. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, change of e-mail address, contact numbers etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Share Transfer Agent, M/s. KFin Technologies Limited (Formerly KFin Technologies Private Limited) to provide efficient services. Members holding shares in physical form are requested to intimate such changes to M/s. KFin Technologies Limited (Formerly KFin Technologies Private Limited), (Unit – Samvardhana Motherson International Limited), Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India Tel.No.: +91- 40 – 67162222, +91- 40 -67161606; Email ID: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) quoting correct Folio Number.
12. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agent of the Company as mentioned above, or to the Company Secretary at the Company’s corporate office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company’s unpaid dividend account, as per Section 124 of the Act will be transferred to the Investor Education and Protection Fund (“IEPF”). Also, shares on which dividend remains unclaimed for 7 (seven) consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable rules.
13. In compliance with the requirements of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, the Company has during the year 2021-22, transferred to the IEPF Authority the dividend for the year 2013-14 (which was unpaid or unclaimed for seven consecutive years) and the underlying shares therein. Details of the unclaimed or unpaid dividend and shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://www.motherson.com/iepf-unpaid-dividend.html>
14. Due dates of declaration of dividend and for transfer of unclaimed / unpaid dividends thereafter to IEPF from the financial year 2022-23 are as below:

Sl.No.	Financial Year	Date of declaration of dividend	Due date for transfer of unpaid dividend to IEPF
1.	2014-15	28.07.2015	27.08.2022
2.	2015-16	16.03.2016	15.04.2023
3.	2016-17	21.08.2017	20.09.2024
4.	2017-18	13.08.2018	12.09.2025
5.	2018-19	14.08.2019	13.09.2026
6.	2019-20	28.02.2020	30.03.2027
7.	2020-21	17.09.2021	16.10.2028

15. Shareholders may note that the unpaid or unclaimed dividend and shares transferred to the IEPF Authority can be claimed by following the process available on the IEPF website and the same can be accessed through the link: <http://www.iepf.gov.in/IEPF/refund.html>
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code,

IFSC code, etc.,:

- (a) For shares held in electronic mode: to their Depository Participants (DP)
  - (b) For shares held in physical mode: to the Company / Registrar and Share Transfer Agent in prescribed Form ISR- 1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, the format of which are available on website of the Company at <https://www.motherson.com/performance/samil-investors/shareholder-information>
17. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; subdivision/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company’s website at [https://www.motherson.com/storage/download-forms/Form\\_ISR-4.pdf](https://www.motherson.com/storage/download-forms/Form_ISR-4.pdf) and on the website of Registrar and Share Transfer Agent at [https://ris.kfintech.com/clientservices/isc/default.aspx#isc\\_download\\_hrd](https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd)
18. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report for the FY 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the FY 2021-22 will also be available on the Company’s website [www.motherson.com](http://www.motherson.com) , websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of National Securities Depository Limited (agency for providing the remote e-voting and e-voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
19. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
20. Register of contracts or arrangements in which directors are interested will be produced at the commencement of AGM and remain open and accessible during the continuance of the AGM to any person attending meeting through VC/OAVM.
21. Register of Directors and Key Managerial Personnel will also be kept open for inspection during the AGM and accessible to the persons attending the AGM through VC/OAVM.
19. SEBI has amended relevant provisions of SEBI Listing Regulations to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares of the Company in physical form even after April 1, 2019, will not be able to lodge fresh request for transfer of shares with the Company / RTA after April 1, 2019 and they will need to convert the shares to demat form compulsorily in order to effect any transfer.
20. The AGM is being held by VC/ OAVM in compliance with MCA Circulars, since AGM has been held through VC/OAVM route map of the venue of AGM is not annexed herewith and the venue of AGM shall be deemed to be the Registered Office of the Company. Recorded transcript shall also be made available on the website of the Company.
21. **Voting by Electronic Means**
- A. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI Listing Regulations and Secretarial Standard on General Meetings (“SS-2”), the Company has provided to the members with a facility to exercise their voting right at the Annual General Meeting (“AGM”) by electronic



means and the business may be transacted through such voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of AGM (“**remote e-voting**”) will be provided by NSDL. The facility of voting through e-voting / insta poll will also be available at AGM and members attending AGM who have already cast their vote by remote e-voting period may attend AGM but shall not be entitled to again cast their vote again.

- B. **The remote e-voting period begins on Friday, August 26, 2022 at 0900 Hours (IST) and ends on Sunday, August 28, 2022 at 1700 Hours (IST).** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date), i.e., Monday, August 22, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, i.e. Monday, August 22, 2022.
- C. The instructions of e-voting are as under:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





**Step 1: Access to NSDL e-Voting system**

- A. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> </ol>

	<p>either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B. Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

<b><u>How to Log-in to NSDL e-Voting website?</u></b>
<ol style="list-style-type: none"> <li>1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.</li> </ol> <p><i>Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.</i></p> <ol style="list-style-type: none"> <li>4. Your User ID details are given below :</li> </ol>



Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

- 1 Corporate / Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [support@dpgupta.com](mailto:support@dpgupta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 / 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) who will also address the grievances connected with the voting by electronic means.
- 4 Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the Cut-Off Date, i.e., Monday,

August 22, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [investorrelations@motherson.com](mailto:investorrelations@motherson.com)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) through email to [investorrelations@motherson.com](mailto:investorrelations@motherson.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorrelations@motherson.com](mailto:investorrelations@motherson.com) . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**22. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.



4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number at [investorrelations@motherson.com](mailto:investorrelations@motherson.com). Such shareholders must register their request three (3) days in advance of the Meeting, i.e., on or before, August 25, 2022 with the Company.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investorrelations@motherson.com](mailto:investorrelations@motherson.com). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
8. Shareholders' who need assistance before or during the Meeting, can contact Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 1800-1020-990 / 1800-22-44-30.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED, SETTING OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS PROPOSED TO BE TRANSACTED UNDER ITEM NO. 4 TO 8 OF THE ACCOMPANYING NOTICE FOR THE ANNUAL GENERAL MEETING.**

**Item No. 4**

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No.- 301003E / E300005) were appointed as Statutory Auditors of the Company at 30<sup>th</sup> Annual General Meeting ('AGM') of the Company held on August 21, 2017, for a period of five years commencing from the conclusion of 30<sup>th</sup> AGM till the conclusion of the 35<sup>th</sup> AGM. Consequently, M/s. S.R. Batliboi & Co. LLP, Chartered Accounts, will complete their first term of five (5) consecutive years as the statutory auditors of the Company at the conclusion of ensuing 35<sup>th</sup> AGM.

After evaluating and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports etc. the Audit Committee had recommended re-appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for the second term of 5 (five) consecutive years to the Board of Directors of the Company.

Pursuant to Section 139(2) of the Companies Act, 2013 (the 'Act'), the Company can appoint a statutory auditor for a second term of 5 (five) consecutive years. Accordingly, the Board of Directors on the recommendations of the Audit Committee vide its resolution dated May 26, 2022 approved re-appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years, commencing from conclusion of 35<sup>th</sup> AGM till conclusion of 40<sup>th</sup> AGM of the Company, subject to the approval of the members at this AGM.

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants ('the Audit Firm') is registered with the Institute of Chartered Accountants of India ('ICAI'). The Audit Firm is a peer reviewed audit firm and ensures auditor independence through involvement of multiple partners and/or partner rotation during the audit period. The Audit Firm is primarily engaged in providing audit and assurance services and certain tax assurance services to its clients. The Audit Firm is one of the largest audit firms in India.

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants have consented to the said re-appointment and confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be re-appointed as Statutory Auditors in terms of the provisions of the Sections 139(1), 141(2) and (3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

The remuneration of the Statutory Auditors was INR 33.33 million (excluding taxes and out-of-pocket expenses) for the scope of work related to the standalone and consolidated financial statements of the Company for the FY 2021-22 which will be INR 35.83 million (excluding taxes and out-of-pocket expenses) for the FY 2022-23. The remuneration to be paid to Statutory Auditors for the remaining term, i.e., from F.Y. 2023-24 through F.Y. 2026-27 (till the conclusion of the 40<sup>th</sup> AGM of the Company to be held in the year 2027), shall be based on the recommendation of the Audit Committee and mutually agreed between the Board of Directors and the Statutory Auditors, from time to time.

The details of fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity during the financial year 2021-22 is disclosed in the corporate governance report attached with the annual report of the Company. The members may note that the non-audit fee paid to the Statutory Auditors and all entities in the network firm / network entity during the financial year 2021-22 constitutes 24.6% of the total audit fees paid to the Statutory Auditor and all entities in the network firm / network entity during said financial year.

Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board / Audit Committee.

The Board recommends an Ordinary Resolution set forth in Item No. 4 of the Notice for approval of Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise, in the resolution set-out at Item No. 4.

#### **Item No. 5**

As the members are aware that the composite scheme of amalgamation and arrangement (“Scheme”) amongst Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) (“the Company”), erstwhile Samvardhana Motherson International Limited (“erstwhile SAMIL”), Motherson Sumi Wiring India Limited (“MSWIL”) and their respective shareholders and creditors, undertaken pursuant to Section 230-232, and other applicable provisions of the Companies Act, 2013 (“the Scheme”) was sanctioned by the Order of Hon’ble National Company Law Tribunal dated December 22, 2022. Pursuant to the Scheme, *inter-alia*, erstwhile SAMIL was merged into and with the Company with effect from January 21, 2022.

Post the merger of erstwhile SAMIL with the Company, the Joint Venture and Subsidiary Companies of erstwhile SAMIL have now become the Joint Venture(s) and Subsidiary(ies) of the Company.

The Company has been making investments, giving loans and / or providing guarantees or security in connection with loans to other persons and bodies corporate (i.e. its subsidiaries) from time to time, in accordance with section 186 of the Companies Act, 2013 (“the Act”) and other applicable provisions (if any).

The provisions of section 186(2) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, *inter-alia*, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding:

- (i) sixty percent of its paid-up share capital, free reserves and securities premium account; or
- (ii) one hundred per cent of its free reserves and securities premium account, whichever is more.

The sub-section (3) of section 186 provides that where giving of any loan or guarantee or providing any security or the acquisition as provided under section 186(2) of the Act, exceeds the limits specified therein, a prior approval of members by means of a Special Resolution is required to be passed at a general meeting. The first proviso to section 186(3) of the Act provides that where a loan or guarantee is given or where a security been provided by a company to its wholly owned subsidiary company or a joint venture company, or acquisition is made by a holding company, by way of subscription, purchase or otherwise of, the securities of its wholly owned subsidiary company, the requirement of 186(2) shall not apply. As per explanation to section 2(87), for the purpose of definition of “subsidiary company”, the expression “company” includes any body corporate.

Further, the sub-section (11) of section 186 of the Act provides for certain exemptions to certain categories of companies for certain types of transaction from the applicability of section 186 of the Act. Further, section 186(11)(b)(i) of the Act exempts any investment made by an investment company from the applicability of provisions of section 186 of the Act. The explanation to sub-section (13) of section 186 of the Act defines an ‘investment company’ to mean “a company whose principal business is the acquisition of shares, debentures or other securities and a company will be deemed to be principally engaged in the business of acquisition of shares, debentures or other securities, if its assets in the form of investment in shares, debentures or other securities constitute not less than fifty per cent of its total assets, or if its income derived from investment business constitutes not less than fifty per cent as a proportion of its gross income”.



The members may note that upon the effectiveness of the merger of erstwhile SAMIL into the Company, as on March 31, 2022, assets in the form of investment in shares, debentures or other securities constitutes more than 50% of the total assets of the Company.

The members may also note that the permissible limits under subsection (2) of section 186 of the Act, for intercorporate loan, provide guarantee(s) or security(s), or investment(s) by the Company as on March 31, 2022 is INR 299,250 Million.

Considering the various strategic acquisitions, organic and inorganic growth by the Company, the Company has already made loan, provided guarantee or security and subscribed to the securities to the tune of INR 350,101 Million as on March 31, 2022. The said amount of INR 350,101 Million includes loans, guarantee or security and/or investments made to wholly owned subsidiary companies (WOS) to the tune of INR 294,572 Million as on March 31, 2022, which are exempted under first proviso to sub-section (3) of section 186 of the Act, from requirement of obtaining prior shareholders' approval. Further, as on March 31, 2022 the loans, guarantee, security investment etc. in legal entities or other person, i.e. other than Joint Venture and WOS which are exempted under sub-section (3) of section 186, is INR 55,529 Million.

While the amount of loan, guarantee or security provided by the Company to its WOS or Joint Venture and investment made by a Company, are exempt from the requirements of prior approval of the shareholders pursuant to the first proviso of subsection (3) of section 186 of the Act, however, such loans, guarantees or security(ies) or investment(s) are to be included for computing overall permissible investment limits under subsection (2) of section 186 of the Act.

Some of the subsidiaries (other than WOS or Joint Ventures) are in early stages of growth and accordingly, as mentioned hereinabove to extend support and keeping in view the growth opportunities and/or urgent business requirements of such subsidiaries (i.e. other than WOS) or Joint Ventures), the approval of the members is being sought under section 186 of the Act, to make additional loan, guarantee or security by the Company (excluding WOS or Joint Venture) for an additional amount of INR 1,000 Million (Rupees One Thousand Million), as mentioned in the enabling resolution. The members may note that the loan or guarantee given / to be given or a security provided / to be provided to WOS or Joint Venture Company or acquisition by way of subscription, purchase or otherwise of the securities by the Company will continue to remain excluded from the limits mentioned in the enabling resolution pursuant to the provisions of section 186 of the Act read with applicable rules, as amended or reconstituted from time to time.

The Board recommends the Special Resolution set forth in Item No. 5 for approval of Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise in the resolution set out in Item No. 5.

#### **Item No. 6**

The Company is required, under the provisions of Section 148(3) of the Companies Act, 2013 ("the Act"), read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, to have the audit of its cost records conducted by a cost accountant in practice.

Pursuant to Section 148(3) of the Act read with Rules 14 of Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rule, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Board of Directors of the Company based on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. M.R. Vyas and Associates, Practicing Cost & Management Accountants within the meaning of the Cost and Works Accountants Act, 1959 (Firm Registration Number 101394 with Institute of Cost Accountant of India), as the cost auditors of the Company to conduct audit of cost records of the Company relating to the products across various segments, for the financial year 2022-23.

The scope of Cost Audit includes carrying out the audit of plastic components, rubber components & other automotive parts manufactured and cost accounting records maintained by the Company for the financial year 2022-23. Further, the turnover of the Company from Continuing Operations for the F.Y. ended March 31, 2022 is INR 53,448 Million and the turnover which is subject to the Cost Audit is INR 45,297 Million. The number of production units covered under the Cost Audit scope is 31.

In terms of the provisions of section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023 by passing an Ordinary Resolution as set out at Item No. 6 of the Notice.

The Board recommends an Ordinary Resolution set forth in Item No. 6 of the Notice for approval of Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise in the resolution.

#### **Item No. 7**

The members may note that the Securities and Exchange Board of India (“SEBI”) notified SEBI (Listing Obligation and Disclosure Requirements) (Sixth Amendment) Regulation, 2021 on November 9, 2021 which were effective from April 1, 2022. The amended provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) defines a “material related party transaction” as transaction to be entered into individually or taken together with previous transactions during a financial year by the Company, which exceeds INR 1,000 crore or 10% of annual consolidated turnover of the listed entity, whichever is lower, as per last audited financial statements of the listed entity. Further, such “material related party transactions” require prior approval of shareholders.

The members may note that pursuant to the aforesaid amended provisions of the SEBI Listing Regulations, the members of the Company in their Extra Ordinary General Meeting (“EGM”) held on March 30, 2022 had considered and approved “material related party transactions” for the Financial Year 2022-23 by the Company & Entities with the entities as mentioned in the enabling resolution. The said Related Party Transactions (“RPTs”) were approved by 99.88% of the shareholders of the Company who voted on the resolution (except the related parties of the Company).

Thereafter, SEBI vide Circular No. SEBI/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022 and vide SEBI/HO/CFD/CMD1/CIR/P/ 2022/40 dated April 8, 2022 (hereinafter collectively referred to as “SEBI Circulars”) had, *inter-alia*, clarified that the shareholders’ approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months. SEBI had also clarified that in case of omnibus approvals for material RPTs obtained from shareholders in general meeting other than AGMs, the validity of such approvals shall not exceed one year.

Now, considering clarifications issued by SEBI subsequent to the approval for the to the “material related party transactions” by the shareholders’ of the Company in its EGM held on March 30, 2022, it is proposed to seek approval from the shareholders of the Company for “material related party transactions” by the Company as mentioned in the resolution read with the terms and conditions presently stated in this explanatory statement and will supersede approval accorded by the members in their EGM held on March 30, 2022.

#### **Rationale for the related party transactions**

The Composite Scheme of Amalgamation and Arrangement (“Scheme”) undertaken amongst the Company (formerly Motherson Sumi Systems Limited (“the Company”)), erstwhile Samvardhana Motherson International Limited (“Erstwhile SAMIL”), Motherson Sumi Wiring India Limited (“MSWIL”) and their respective shareholders and creditors, undertaken pursuant to Sections 230 - 232, and other applicable

provisions, of the Companies Act, 2013, was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench – IV by way of its order dated December 22, 2021, certified copy of which was received on December 23, 2021. Pursuant to the Scheme, (a) the Domestic Wiring Harness Undertaking or DWH Undertaking (*as defined in the Scheme*) of the Company has been demerged into MSWIL with effect from January 5, 2022; and (b) Erstwhile SAMIL has merged with and into the Company with effect from January 21, 2022.

The Company (hereinafter “**Company**”), either directly or through its subsidiaries and/or joint ventures has, over years, developed in-house value chain of various products through various backward integration initiatives which give it a distinct cost advantage. Accordingly, post the Scheme becoming effective, the Company and/or MSWIL continue to have various inter-dependencies. In this respect, the Company supplies to MSWIL various goods or materials, including wires, various tools, jigs, fixtures, rubber parts, connectors and certain other components which are used to manufacture/ assemble wiring harnesses along with providing certain capital items as required for its business.

Similarly, the Company leverage MSWIL’s business’ world-class technology and vast experience in cost-efficient manufacturing and procures wiring harness and other parts and/or components thereof which is used as child parts in the manufacturing of other components.

Also, the Company has a central team for some of the key functions in the areas of design and development services, finance, procurement engineering services, human resource, travel management, infrastructure support etc., the services of which are availed by each of the businesses of the Company. Accordingly, to ensure that post the demerger, the benefit of the in-house value chain continues to be available to all the businesses, certain related party transactions need to be undertaken, more specifically mentioned in enabling resolution.

The brief particulars of the material related party contracts and / or transactions and / or arrangements entered / to be entered into by the Company with Motherson Sumi Wiring India Limited and corresponding approval required are as under:

**7(a): Sale / Supply of components and capital goods to MSWIL**

Particulars	Information
<b>Name of the Related Party and Nature of Relationship</b>	Motherson Sumi Wiring India Limited.  Pursuant to the Scheme (i.e. subsequent to the merger of Erstwhile SAMIL into your Company), the Company holds equity 33.43% of the share capital of MSWIL.
<b>Nature, material terms and particulars of the contract or arrangement</b>	The transactions are in relation to sale / supply of various goods or materials, including various tools, jig, fixtures, wires, rubber parts, connectors, capital items and other components, which are used to manufacture/ assemble wiring harnesses, as required by MSWIL.  The products will include current and future products, including, improvements, new designs, new development etc., <i>inter-alia</i> , to meet the customers’ requirements.  The transactions will be at an arm’s length basis and in the ordinary course of business.
<b>Rationale for transaction</b>	The Company over the years have developed an in-house capability of manufacturing various products including certain child parts required in the manufacturing / assembly of wiring harness by way



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of various backward integration initiatives thereby giving it a distinct cost advantage.

The domestic wiring harness business of the Company (“**DWH Business**”) was demerged into and with MSWIL, which sources all such goods or materials, including wires, various tools, jigs, fixtures, connectors, rubber parts and certain other components (in-house value chain) which are required to manufacture/assemble the wiring harness product as required by the original equipment manufacturers (“**OEMs**”) from other divisions of the Company. MSWIL also procures certain capital items as required for its business from other divisions of the Company.

While DWH Business has been demerged to MSWIL as a part of the Scheme, it continues to be one of the key businesses forming part of the Motherson group. The above transactions will benefit for increased revenue for the Company and ensure that benefit of its in-house value chain continues to be available to MSWIL as well, at arm’s length prices.

The objective of the proposed related party transactions is to ensure continuity of economies of scale thereby bringing efficiencies for the Company.

These transactions will ensure continuity to existing operations and they are in the best interest of both, your Company as well as MSWIL.

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**Duration of the proposed transactions**

The duration of this arrangement sought will be upto next Annual General Meeting or for a period not exceeding fifteen months from the date of present Annual General Meeting, whichever is earlier.

However, arrangement between the companies will be on a non-exclusive basis and therefore the parties would be free to enter into similar contracts with other parties if there is an associated cost-benefit. The agreement to contain termination provisions in line with commercial contracts of this nature.

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**Pricing and financial arrangements**

Pricing for products will be based on an arm’s-length transfer price established by the parties. The purchase price is based on a mixture of fixed, variable and pass-through costs and benchmarked margins for different activities based on transfer pricing principles.

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**7(b): Purchase of wiring harness and other parts and/or components thereof by the Company**

<b>Particulars</b>	<b>Information</b>
<b>Name of the Related Party and Nature of Relationship</b>	Motherson Sumi Wiring India Limited.  Pursuant to the Scheme (i.e. subsequent to the merger of Erstwhile SAMIL into your Company), the Company holds equity 33.43% of the share capital of MSWIL.

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<b>Nature, material terms and particulars of the contract or arrangement</b>	<p>The transactions are in relation to the purchase by the Company of various goods or materials, including the purchase of components of wiring harness and wiring harness.</p> <p>The products will include current and future products, including, improvements, new designs, new development etc., <i>inter-alia</i>, to meet the customers' requirements.</p> <p>The transactions will be at an arm's length basis and in the ordinary course of business.</p>
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<b>Rationale for transaction</b>	<p>The domestic wiring harness business of MSWIL is presently one of the leading wiring harness supplier for the OEMs in India. It is a supplier of choice for several OEMs due to its superior quality and customer centricity.</p> <p>Some of the other businesses of the Company require wiring harness as child parts for the manufacturing / assembly of the final product. Given the MSWIL's business world-class technology, vast experience and MSWIL's competitive position, it currently supplies wiring harness in its ordinary course of business (some of which may be sourced by it from outside suppliers) to the Company at arms' length price.</p> <p>The transactions will be at an arm's length basis and in the ordinary course of business.</p>
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<b>Duration of the proposed transactions</b>	<p>The duration of this arrangement will be upto next Annual General Meeting or for a period not exceeding fifteen months from the date of present Annual General Meeting, whichever is earlier.</p> <p>However, the arrangement between the companies will be on a non-exclusive basis and therefore the parties would be free to enter into similar contracts with other parties as well.</p>
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<b>Pricing and financial arrangements</b>	<p>With respect to the ongoing models / programs for the supply of wiring harness by DWH Business, the pricing and financial arrangements will be as per existing terms (which are on an arm's' length basis / comparable terms).</p> <p>In respect to the future business, the prices are to be mutually decided basis negotiations based on comparable terms from third party supplier and/or customer target price decided at the time of award of contract by OEMs.</p>
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**7(c): To lease, sub-lease, license or sub-license properties, including provision of maintenance services in relation to such properties (on need basis) by the Company to MSWIL**

Particulars	Information
<b>Name of the Related Party and Nature of Relationship</b>	Motherson Sumi Wiring India Limited.

	<p>Pursuant to the Scheme (i.e. subsequent to the merger of Erstwhile SAMIL into your Company), the Company holds equity 33.43% of the share capital of MSWIL.</p>
<p><b>Nature, material terms and particulars of the contract or arrangement</b></p>	<p>The transaction involves leasing / sub-leasing to MSWIL of various immovable property owned / leased by your Company, on which manufacturing units and offices pertaining to the domestic wiring harness business of MSWIL are situated.</p> <p>The shareholders of the Company in their EGM held on March 30, 2022, <i>inter-alia</i>, approved that area of the manufacturing unit(s) may change in future considering expansion and other business requirements. Accordingly, transaction for leasing / sub-leasing to MSWIL now includes two (2) additional immovable properties owned / leased by the Company, as under:</p> <ul style="list-style-type: none"> <li>• Plot No. A-60-61, Sector- 6, Noida- Uttar Pradesh- 201301 (“Sector-6 Property”); and</li> <li>• Land situated at State Highway 120 Kattavakkam Village, Kancheepuram District- Chennai (“Chennai Land”). The rental is proposed to begin from construction commencement date.</li> </ul> <p>Further, area of the manufacturing unit may change in future considering the expansion and other business requirements. The transactions will be at an arm’s length basis.</p>
<p><b>Rationale for transaction</b></p>	<p>The domestic wiring harness business demerged by the Company into MSWIL, <i>inter-alia</i>, consists of various manufacturing units and offices located in Uttar Pradesh, Maharashtra, Haryana, Gujarat, Madhya Pradesh, Karnataka, Uttarakhand and Tamil Nadu.</p> <p>The land and building of such manufacturing and offices units are originally owned and/or leased in name of the Company. Many of the factories pertaining to the domestic wiring harness business are on long term leases taken from government authorities / industrial parks.</p> <p>Further, as part of the Scheme, it was decided that the Company will continue to retain such immovable assets and MSWIL will work on an asset light model for domestic wiring harness business.</p> <p>Accordingly, all such manufacturing units and offices have been leased / sub-leased to MSWIL by the Company.</p>
<p><b>Duration of the proposed transactions</b></p>	<p>Considering continuity of business perspective as approved earlier also by shareholders of the Company as mentioned aforesaid, the agreement for these lease / sub-lease will be on long term lease which will be for a period of 10 years from effective date with a lock-in of 5 years during which, neither party shall be entitled to terminate the agreement.</p>



	The agreements contain termination provisions, applicable post the expiry of lock-in period, in line with long term commercial contracts of this nature.
<b>Pricing and financial arrangements</b>	To ensure that the fair market values are evaluated in a transparent manner, Knight Frank was appointed to carry out independent studies and basis the same the lease rentals and annual escalations have been worked out in the respective lease agreements.

#### 7(d): Functional Support Services

<b>Particulars</b>	<b>Information</b>
<b>Name of the Related Party and Nature of Relationship</b>	<p>Motherson Sumi Wiring India Limited.</p> <p>Pursuant to the Scheme (i.e. subsequent to the merger of Erstwhile SAMIL into your Company), the Company holds equity 33.43% of the share capital of MSWIL.</p>
<b>Nature, material terms and particulars of the contract or arrangement</b>	<p>The agreement includes providing of functional support in the areas of accounting, human resource, consulting, procurement services, design and development services for product and process, engineering services, finance, procurement, logistics, information technology support, travel management, infrastructure support and other professional and support services by the Company to MSWIL and sharing of manpower and resources. The services will include current and future services. The transactions will be at an arm's length basis.</p>
<b>Rationale for transaction</b>	<p><b>A. Functional Services to be provided by the Company</b></p> <p>The Company has a central team for the wiring harness business operating out of India (domestic and export business) for key functions across all the plants, such as:</p> <ul style="list-style-type: none"> <li>- Finance, procurement, logistics, human resource services and other common services.</li> <li>- Design and development teams.</li> <li>- Supplier qualification, quality assurance and validation of new parts etc.</li> <li>- Process and production engineering teams</li> </ul> <p>These services are being shared for domestic wiring harness business of MSWIL in India and the export wiring harness business operating of the Company, out of India.</p> <p><b>B. Others</b></p> <p>Further, there are certain other services which MSWIL avails from SAMIL such as corporate taxation, legal, internal audit etc.</p>

	The key rationale for undertaking these arrangements is to avoid duplication of resources thus making both the businesses, i.e., the business of the Company and MSWIL, cost-efficient.
<b>Duration of the proposed transactions</b>	<p>The duration of this arrangement will be upto next Annual General Meeting or for a period not exceeding fifteen months from the date of present Annual General Meeting, whichever is earlier.</p> <p>However, these arrangements will be on a non-exclusive basis and therefore the parties would be free to enter into similar contracts with other parties if there is an associated cost-benefit.</p>
<b>Pricing and financial arrangements</b>	<p><b>A. Functional Services to be provided by the Company</b>  Costs of common resources shall be allocated between the Company's export wiring harness businesses operating out of India and MSWIL, based on either</p> <ul style="list-style-type: none"> <li>- Revenues; or</li> <li>- Any other applicable metric as may be considered appropriate where revenue-based allocation may not be feasible.</li> </ul> <p><b>B. For Others</b>  Pricing to be governed on arms' length basis.</p>

**7(e): Management services**

Particulars	Information
<b>Name of the Related Party and Nature of Relationship</b>	<p>Motherson Sumi Wiring India Limited.</p> <p>Pursuant to the Scheme (i.e. subsequent to the merger of Erstwhile SAMIL into your Company), the Company holds equity 33.43% of the share capital of MSWIL.</p>
<b>Nature, material terms and particulars of the contract or arrangement</b>	The transaction shall involve provision of various management services by the Company to MSWIL including management support and advice, local relationships and ground level assistance. The transactions will be at an arm's length basis.
<b>Rationale for transaction</b>	The Company and Sumitomo Wiring Systems, Ltd., Japan ("SWS") had entered into a Technical Assistance Agreement dated December 20, 1986 for the manufacture of wiring harness and components. The technical assistance and grant of license were, <i>inter-alia</i> , to manufacture and sell wiring harness and its components by using technical information, know-how and technical assistance from SWS including design & development fee, software computer maintenance fee, technician absence fee etc. The said technical assistance has been extended from time to time and new products been included as per the requirements of the customers. Since these agreement(s) were in relation to the domestic wiring harness business, these stands transferred and vested into MSWIL consequent to the demerger.

Further, the domestic wiring harness business of MSWIL benefits from the management guidance and support of the management of the Company.

The contribution of the Company in terms of management support and advice and other such incidental aspects is crucial to the growth and development of domestic wiring harness business of MSWIL and domestic wiring harness business requires continuous and ongoing management support and advice from the Company, even after the demerger.

Accordingly, the Company to continue to provide strategic guidance and management support from operational and local relationships perspective to MSWIL.

**Duration of the proposed transactions**

The duration of this arrangement will be upto next Annual General Meeting or for a period not exceeding fifteen months from the date of present Annual General Meeting, whichever is earlier.

The agreement will also contain termination provisions in line with long term commercial contracts of this nature.

**Pricing and financial arrangements**

For Management Services to be provided by the Company to MSWIL, the arrangement will have identical commercial terms / parameters as of the technical services agreement with Sumitomo Wiring Systems Ltd., Japan which has been transferred to MSWIL as a part of the Scheme.

All agreement(s)/ arrangement(s) will be at an arm's length basis.

The monetary value for above related party transaction(s) is summarised below:

Sl. No.	Particulars	Proposed monetary limits (Amount in INR Millions / % to consolidated revenue)	FY 22 quantum as % to consolidated revenue from continuing operations	Basis
7(a)	Sale / Supply of components and capital goods to MSWIL	30,000	2.90% (approx.)	Proposed limits based on current market demand forecast, consideration on copper prices and enhanced localization specifically of wires.
7(b)	Purchase of wiring harness and other parts and/or components thereof by the Company	1,500	0.01% (approx.)	Proposed limits based on current market potential of business and consideration on copper prices.



Sl. No.	Particulars	Proposed monetary limits (Amount in INR Millions / % to consolidated revenue)	FY 22 quantum as % to consolidated revenue from continuing operations	Basis
7(c)	To lease, sub-lease, license or sub-license properties, including provision of maintenance services in relation to such properties (on need basis) by the Company to MSWIL	665	0.10% (approx.)	The amount may vary based on change in lease area as well as basis escalation of 5% per annum.
7(d)	Functional Support Services	0.35% *	0.24% (approx.)	On actual / arms' length basis.
7 (e)	Management Services	0.10% *	0.05% (approx.)	As disclosed above in rationale for transaction under Management Services.

\* % to consolidated revenue

The above limits have been calculated on Annualised basis and shall get adjusted pro-rata depending upon gap between two Annual General Meetings.

The related party contracts, transactions and/or arrangements detailed above are effective from such date as mutually agreed between the parties to the same. For the removal of doubt, all monetary values set out below exclude any taxes that may be payable under applicable laws.

The members may note that pursuant to Regulation 23 of the SEBI Listing Regulations and applicable provisions of the Companies Act, 2013, the other non-material related party transaction(s) to be entered by the Company with its related parties on arm's length basis and in ordinary course of business shall be continued to be reviewed and / or approved by the Audit Committee and / or the Board of Directors of the Company.

The Audit Committee and the Board of Directors of the Company in their meetings both held on July 4, 2022 have approved and consented to seek shareholders' approval for the said RPTs. The Audit Committee and the Board of Directors have also noted that these transactions are at arm's length, they qualify as material RPTs under the SEBI Listing Regulations. Further, Independent Directors of the company have also reviewed these Related Party Transactions and given their recommendation for approval of the same. Accordingly, the members' approval is being sought for the resolution mentioned as Item No. 7 to this notice.

The members may also note that pursuant to the Scheme becoming effective, MSWIL has allotted equity shares to the shareholders of the Company in ratio of 1:1 as on the record date. Pursuant to the Scheme (i.e. subsequent to the merger of Erstwhile SAMIL into your Company), the Company holds equity 33.43% of the share capital of MSWIL.

Mr. Vivek Chaand Sehgal, Chairman and Promoter of the Company is also the Chairman and Promoter and Director of MSWIL. Mr. Vivek Chaand Sehgal holds 2.32% equity shares of MSWIL. Mr. Laksh Vaaman Sehgal, Director and Promoter of the Company and relative of Mr. Vivek Chaand Sehgal is also Promoter and Director of MSWIL. Accordingly, above promoter directors and/or their nominees may be deemed to be interested in the enabling resolution, to extent of their common directorship and shareholding in the related parties. Mr. Norikatsu Ishida is a Director on the Board of MSWIL as Nominee of Sumitomo Wiring Systems

Limited and can be deemed to be concerned in the resolution since Sumitomo Wiring Systems Limited (“SWS”) may be deemed to be interested due to its shareholding in MSWIL. SWS holds 17.55% shares of the Company and holds 25.10% shares of MSWIL. Except to the extent mentioned hereinabove, none other Directors and/or Key Managerial Personnel(s) or their relatives are in any way concerned or interested in the resolution.

Further, in terms of Regulation 23 of the SEBI Listing Regulations, all entities falling within the definition of related parties under the Listing Regulations shall not vote to approve the relevant transactions irrespective of whether such entities are a party to the particular transaction or not. Accordingly, related parties of the Company (as defined under Regulation 2(1)(zb) of the SEBI Listing Regulations) shall not vote to approve the aforesaid resolution(s) under Item No. 7.

#### **Item No. 8**

The members may note that the Securities and Exchange Board of India (“SEBI”) notified SEBI (Listing Obligation and Disclosure Requirements) (Sixth Amendment) Regulation, 2021 on November 9, 2021 which were effective from April 1, 2022. The amended provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) defines a “material related party transaction” as transaction to be entered into individually or taken together with previous transactions during a financial year by the Company, which exceeds INR 1,000 crore or 10% of annual consolidated turnover of the listed entity, whichever is lower, as per last audited financial statements of the listed entity. Further, such “material related party transactions” require prior approval of shareholders.

The members may note that pursuant to the aforesaid amended provisions of the SEBI Listing Regulations, the members of the Company in their Extra Ordinary General Meeting (“EGM”) held on March 30, 2022 had considered and approved “material related party transactions” for the Financial Year 2022-23. The said Related Party Transactions (“RPTs”) were approved by 99.88% of the shareholders of the Company who voted on the resolution (except the related parties of the Company) and had, *inter-alia*, included the transaction mentioned in the enabling resolution.

Thereafter, SEBI vide Circular No. SEBI/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022 and vide SEBI/HO/CFD/CMD1/CIR/P/ 2022/40 dated April 8, 2022 (hereinafter collectively referred to as “SEBI Circulars”) had, *inter-alia*, clarified that the shareholders’ approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months. SEBI had also clarified that in case of omnibus approvals for material RPTs obtained from shareholders in general meeting other than AGMs, the validity of such approvals shall not exceed one year.

Accordingly, considering clarifications issued by SEBI subsequent to the approval for the to the “material related party transactions” by the shareholders’ of the Company in its EGM held on March 30, 2022, it is proposed to seek approval from the shareholders of the Company for “material related party transactions” as mentioned in the resolution read with the terms and conditions mentioned in this explanatory statement and will supersede approval accorded by the members in their EGM held on March 30, 2022.

#### **Rationale for the related party transactions**

The members may note that Motherson Sumi Electric Wires (a division of the Company) (“MSEW Division”) is engaged in manufacturing of copper wires of various mode and types, including, for manufacturing of wiring harness by the Company and MSWIL and supplies to other key players for industrial and domestic purposes. For the manufacture of copper wires, the MSEW Division purchases copper block from SEI Thai Electric Conductor Co., Ltd., Thailand (“SEI Thai”).

The brief particulars of the material related party contracts and / or transactions and / or arrangements entered / to be entered into by the Company with SEI, Thai and corresponding approval required is as under:

## Purchase of copper

Particulars	Information
<b>Name of the Related Party and Nature of Relationship</b>	SEI Thai Electric Conductor Co., Ltd. (“SEI Thai”)  SEI Thai is a subsidiary of Sumitomo Electric Industries Ltd., Japan (“SEI”). Further, SEI is the holding company of M/s. Sumitomo Wiring Systems, Ltd., Japan (“SWS”).
<b>Nature, material terms and particulars of the contract or arrangement</b>	The transactions will be at an arm’s length basis and in the ordinary course of business.
<b>Rationale for transaction</b>	SEI Thai supplies copper in drawn from under various sizes from a state of art facility with renowned international technology. The product has excellent quality as required for our applications
<b>Duration of the proposed transactions</b>	The duration of this arrangement will be upto next Annual General Meeting or for a period not exceeding fifteen months from the date of present Annual General Meeting, whichever is earlier.  However, the arrangement between the companies will be on a non-exclusive basis and therefore the parties would be free to enter into similar contracts with other parties as well.
<b>Pricing and financial arrangements</b>	The purchase price is based on a mixture of fixed, variable and pass-through costs (linked to London Metal Exchange (“LME”)) and benchmarked margins based on transfer pricing principles.  The pricing of products is on arms-length basis and comparable with other 3 <sup>rd</sup> party suppliers.

The related party contracts, transactions and/or arrangements detailed above are effective from such date as mutually agreed between the parties to the same. For the removal of doubt, all monetary values set out below exclude any taxes that may be payable under applicable laws.

The monetary value for above related party transaction is summarised below:

Sl. No.	Particulars	Proposed monetary limits (Amount in INR Millions)	FY 22 quantum as % to consolidated revenue from continuing operations	Basis
8.	Purchase of copper	13,500	1.51%	The thresholds prescribed above factors in the future growth potential of the Company and also factors in the volatility in the prices of copper.

The members may note that pursuant to Regulation 23 of the SEBI Listing Regulations and applicable provisions of the Companies Act, 2013, the other non-material related party transaction(s) to be entered by the Company with its related parties on arm's length basis and in ordinary course of business shall be continued to be reviewed and / or approved by the Audit Committee and / or the Board of Directors of the Company.

The Audit Committee and the Board of Directors of the Company in their meetings both held on July 4, 2022 have approved and consented to seek shareholders' approval for the said RPTs. The Audit Committee and the Board of Directors have also noted that these transactions are at arm's length, they qualify as material RPTs under the SEBI Listing Regulations. Further, Independent Directors of the company have also reviewed these Related Party Transactions and given their recommendation for approval of the same. Accordingly, the members' approval is being sought for the resolution mentioned as Item No. 8 to this notice.

Mr. Norikatsu Ishida and Mr. Nishimura Shunichirou are the Nominee Directors of SWS on the Board of Directors of the Company and may be deemed to be concerned in the enabling resolution. Except to the extent mentioned hereinabove, none other Directors and/or Key Managerial Personnel(s) or their relatives are in any way concerned or interested in the resolution.

Further, in terms of Regulation 23 of the SEBI Listing Regulations, all entities falling within the definition of related parties under the Listing Regulations shall not vote to approve the relevant transactions irrespective of whether such entities are a party to the particular transaction or not. Accordingly, related parties of the Company (as defined under Regulation 2(1)(zb) of the SEBI Listing Regulations) shall not vote to approve the aforesaid resolution(s) under Item No. 8.

By order of Board

Place: Noida, Uttar Pradesh  
Date: July 04, 2022

Alok Goel  
Company Secretary  
Membership No. – FCS 4383

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



**Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting**  
(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 on General Meeting)

Name of Director	Mr. Laksh Vaaman Sehgal
Director Identification No.	00048584
Date of Birth	29.11.1982
Date of first Appointment on the Board	30.04.2009
Qualification	MBA
Experience in specific Functional area	He has a MBA degree from Columbia Business School (USA) and also holds a degree from Keio University, Tokyo. He has a rich experience of working with major companies of the Motherson Group.
Remuneration last drawn from Company (in ₹)	Mr. Laksh Vaaman Sehgal is not entitled for any remuneration from the Company. He has received remuneration from overseas subsidiaries as mentioned in the report on the Corporate Governance.
Remuneration sought to be paid	Nil
Terms and Conditions of appointment / re-appointment	Liabile to retire by rotation
Number of Board Meetings attended during the year*	8
Relationship with any Director(s) or any Key Managerial Personnel(s) of the Company	Mr. Laksh Vaaman Sehgal is son of Mr. V. C. Sehgal, Chairman of the Company
Membership/ Chairmanship of the Committee of the Company	(a) Audit Committee, Member; (b) Risk Management Committee, Member; (c) Nomination and Remuneration Committee, Member; (d) Corporate Social Responsibility Committee, Member; (e) Share Transfer Committee, Chairman; (f) Committee of Directors (Strategic Business Matters), Chairman; (g) Committee of Directors (Administrative Matters), Chairman; and (h) Global Sustainability Committee, Chairman.
Directorship held in other companies	(a) <u>Subsidiaries</u> (including Indian and overseas):  (i) Samvardhana Motherson Adsys Tech Limited (ii) CIM Tools Private Limited (iii) Motherson Technology Services Limited (formerly MothersonSumi Infotech and Designs Limited) (iv) Motherson Air Travel Agencies Limited (v) Motherson Auto Solutions Limited (vi) Global Environment Management (FZE) (vii) MSSL Mauritius Holdings Limited (viii) Samvardhana Motherson Holding (M) Private Limited (ix) SMR Automotive Holding Hong Kong Ltd. (x) SMR Automotive Mirrors Stuttgart GmbH (xi) SMR Automotive Beteiligungen Deutschland GmbH (xii) SMR Automotive Mirror Systems Holding Deutschland GmbH

	<ul style="list-style-type: none"> <li>(xiii) SMR Automotive Mirrors UK Ltd.</li> <li>(xiv) SMR Automotive Mirror Part and Holdings UK Limited</li> <li>(xv) SMR Mirror UK Limited</li> <li>(xvi) MSSL Consolidated Inc., USA</li> <li>(xvii) Samvardhana Motherson Automotive Systems Group B.V.</li> <li>(xviii) SMR Automotive Technology Holdings Cyprus Limited</li> <li>(xix) Samvardhana Motherson Reflectec Group Holdings Ltd.</li> <li>(xx) Motherson Innovations Company Limited, U.K.</li> <li>(xxi) Motherson Innovations Deutschland GmbH</li> <li>(xxii) MSSL Estonia WH OÜ</li> <li>(xxiii) Motherson Ossia Innovations LLC</li> <li>(xxiv) Motherson Innovations LLC</li> <li>(xxv) Yujin SMRC Automotive Techno Corp.</li> <li>(xxvi) Samvardhana Motherson Corp. Management Shanghai Co. Ltd.</li> <li>(xxvii) Samvardhana Motherson Automotive Systems Group B.V.</li> <li>(xxviii) SMR Plast Met Molds and Tools Turkey Kalıp İmalat Anonim Şirketi</li> <li>(xxix) SMR Plast Met Automotive Tec Turkey Plastik İmalat Anonim Şirketi</li> <li>(xxx) SMP Deutschland GmbH (Member of Supervisory Board)</li> <li>(xxxi) PKC Group Ltd.</li> </ul> <p>(b) <u>Joint Venture:</u></p> <ul style="list-style-type: none"> <li>(i) Motherson Sumi Wiring India Limited</li> </ul> <p>(c) <u>Other Companies:</u></p> <ul style="list-style-type: none"> <li>(i) Advantedge Technology Partners Private Limited</li> <li>(ii) Renu Farms Private Limited</li> <li>(iii) Motherson Auto Limited</li> <li>(iv) Shri Sehgal's Trustee Company Private Limited</li> <li>(v) Samvardhana Motherson Employees Benefit Limited</li> <li>(vi) ATAR Mauritius Pvt. Ltd.</li> <li>(vii) JSRR Holdings (M) Pvt. Ltd.</li> <li>(viii) Radha Rani Holdings Pte. Ltd.</li> <li>(ix) Advance Technologies and Automotive Resources Pte. Ltd.</li> <li>(x) Son Grows Systems Limited</li> </ul>
<p>Membership/ Chairmanship of the Committee of other Indian Companies</p>	<p>(a) Motherson Technology Services Limited (formerly MothersonSumi Infotech and Designs Limited)</p> <ul style="list-style-type: none"> <li>- Share Issuance Committee</li> </ul>
<p>Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the board</p>	<p>Mr. Laksh Vaaman Sehgal is also a non-executive director on the Board of Motherson Sumi Wiring India Limited (MSWIL), listed at BSE and NSE.</p> <p>Mr. Laksh Vaaman Sehgal is member on the following committee of MSWIL:</p> <ul style="list-style-type: none"> <li>(a) Audit Committee</li> <li>(b) Nomination and Remuneration Committee</li> <li>(c) Stakeholder Relationship Committee</li> </ul>

	<p>(d) Risk Management Committee</p> <p>Mr. Laksh Vaaman Sehgal is Chairman on the following committee of MSWIL:</p> <p>(a) Share Transfer Committee  (b) Committee of Directors (Administrative Matters)  (c) Sustainability Committee</p>
Number of shares held in the Company (as on March 31, 2022)	1143

\*No. of meetings held during the financial year were 8 (eight).