

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 : MSUMI**

**Scrip Code : 543498**

**Subject: Annual Report of the Company for the financial year 2021-22 including Notice of 2<sup>nd</sup> Annual General Meeting**

Dear Sir/ Madam,

This is to inform that 2<sup>nd</sup> Annual General Meeting (“AGM”) of the Company is scheduled to be held on Monday, August 29, 2022 at 1215 P.M (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 the 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.mswil.motherson.com](http://www.mswil.motherson.com) .

Thanking you,

Yours truly,  
For Motherson Sumi Wiring India Limited



Pooja Mehra  
Company Secretary

Regd. Office:  
**Motherson Sumi Wiring India Limited**  
Unit – 705, C Wing, ONE BKC, G Block Bandra Kurla Complex,  
Bandra East Mumbai – 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L29306MH2020PLC341326  
E-mail: investorrelations@mswil.motherson.com  
website: www.mswil.motherson.com



**'We  
always  
believe  
our next  
step will  
be the  
best step  
of our  
lives.'**

**Annual Report  
2021-2022**

Motherson  
Sumi  
Wiring  
India 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.

## Corporate information.

### Board of Directors

**Mr. Vivek Chaand Sehgal**  
Chairman

**Mr. Laksh Vaaman Sehgal**  
Director

**Mr. Norikatsu Ishida**  
Director

**Mr. Yoshio Matsushita**  
Director

**Mr. Arjun Puri**  
Independent Director

**Ms. Geeta Mathur**  
Independent Director

**Mr. Anupam Mohindroo**  
Independent Director

**Mr. Rajesh Kumar Seth**  
Independent Director

**Col. (Retd.) Virendra Chand Katoch**  
Independent Director

**Mr. Anurag Gahlot**  
Whole Time Director  
& Chief Operating Officer

### Chief Financial Officer

**Mr. G.N. Gauba**

### Company Secretary/Investor Cell

**Ms. Pooja Mehra**  
investorrelations@mswil.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

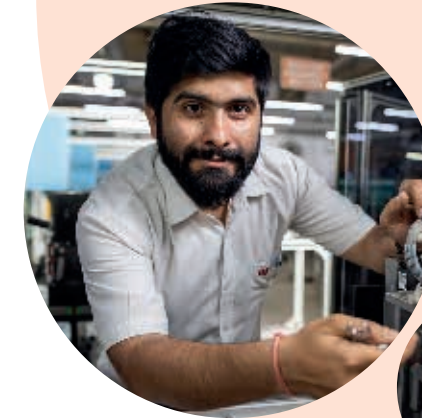
### Auditors

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

### Bankers

- Axis Bank Limited
- HDFC Bank Limited
- ICICI Bank Limited
- MUFG Bank, Ltd.

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# Dear Shareholders,

Welcome to the first Annual Report of Motherson Sumi Wiring India Limited (MSWIL) post listing on 28<sup>th</sup> March, 2022 at the BSE and NSE. We are very excited about this historic step, taken together with our long-standing collaborator Sumitomo Wiring Systems, Ltd. (SWS).

MSWIL was established by demerging the wiring harness business supporting our customers in India from its parent company Motherson Sumi Systems Limited (MSSL). The name of Motherson Sumi Systems Limited (MSSL) has been changed to Samvardhana Motherson International Limited (SAMIL) with effect from 18<sup>th</sup> May 2022.

We established Motherson Sumi Systems Limited (MSSL) together with Sumitomo Wiring Systems, Japan in 1986. Getting Sumitomo as a teacher at that time brought Motherson to a new level and we are very grateful for their enduring support. As we diversified and began to expand globally, it became increasingly important for Sumitomo to have continued focus on its strategic objective: the wiring harness segment in the Indian market and hence, the formation of MSWIL.

Revenues of your company grew to INR 5,635 crores. Operating EBITDA ended at INR 760 crores and PAT came to INR 411 crores. The company achieved a ROCE of 52.3%. The dividend payout for FY 2021-22 has been declared at 65% of profits after taxes, in line with our Motherson Vision 2025 targets, coming to INR 0.85 per share. Our operating cash flows are healthy and as of March 31<sup>st</sup>, 2022, your company is a debt free company.

We are very grateful for these results and thank our customers across India for their unwavering trust in us. Likewise, we take our hats off to our teams in all our units and facilities, who work tirelessly to serve the OEMs. This performance strengthens our faith in our ability to achieve Vision 2025 for Motherson as a whole.

## Motherson 2.0

The creation of MSWIL is part of our reorganising process, which was designed to bring all our businesses together. The programme has now been realised. It is the beginning of a new chapter and we are so excited about the new possibilities it brings that we have termed the reorganising 'Motherson 2.0'. While MSWIL is a separately listed company, it remains an integral part of Motherson and it plays an important role in achieving our Vision 2025 targets. MSWIL embodies our commitment to the Indian market. With over 26 million vehicles sold in 2019,

India's domestic market is the fourth-largest automotive market in the world. Furthermore, the automobile industry is one of the primary contributors to the Indian economy, constituting approximately 7% of GDP and employing around 3.5 crores people directly and indirectly. We aim to continue our impressive track record of creating strong value within the Indian automotive industry for all our stakeholders.

## The theme of this annual report

We have chosen the following quote for the theme of this annual report: 'We always believe our next step will be the best step of our lives.' The demerger created a new company which continues our journey and commitment since 1986, in a new form. We believe this step holds tremendous promise and potential. New beginnings have something magical; they allow us to see things with fresh eyes while preserving all the wiring harness assembly experience we have gained over the years. Through MSWIL, we will be able to apply that experience even more intelligently for the benefit of our customers in India.

'We always believe our next step will be the best step of our lives.'

**To be a globally preferred sustainable solutions provider**

Sustainability has become so important to us that we have decided to make an important change. We have added the word 'sustainable' to our vision: 'To be a globally preferred sustainable solutions provider.'

The Indian automotive industry is changing rapidly. Consumers are increasingly demanding more premium features in their vehicles and OEMs are focused on technological developments such as electrification and connectivity. We believe this makes the wiring harness increasingly important, allowing us to support OEMs with exciting new solutions in the coming years.

**Well-positioned in India**

MSWIL is a leading, full-system wiring harness solutions provider in India. This means we offer our customers world-class skills and broad experience in manufacturing, assembly and in-sequence delivery of integrated, cutting-edge electrical and electronic distribution systems for power supply and data transfer. We do this across vehicle types (passenger cars, two-wheelers and three-wheelers as well as recreational, commercial and multi-utility vehicles), price ranges (from entry-level to mid-range and premium level) and manufacturing locations. With 23 facilities, across key automotive clusters in India, we are present in close proximity to the automotive OEMs.

We also provide integrated solutions for electric vehicles, including high-voltage wire harnesses. Through our partnership with Sumitomo Wiring Systems, Ltd. as well as our integration into Motherson, MSWIL has access to cutting-edge technologies and support. This allows us to bring world-class solutions tailored to the local requirements of the Indian automotive market.

In addition, our relentless focus on product and process development allows us to create new wiring harness solutions for our customers. Through our strong vertical integration, we are able to control quality and costs in a way that ensures optimal results for our customers. In short, MSWIL is well-equipped to support both current and future wiring harness trends.

**Ordinary people doing extraordinary things**

A key purpose of Motherson is to provide stability and opportunity for our people. We want to be an organisation where employees can bond, dream and grow together – a company that our children and grandchildren are also proud to be part of. After all, our industry remains a people's business and that is especially true for wiring harnesses given their high human-intensive operations.

As a result, it has always been very important to us to ensure well-being and equal opportunity for all. Equal opportunity is important not only in the employee selection process but throughout the entire employee life-cycle with respect to the accessibility of employees to the development, training and retention programmes. We encourage a culture of improvement in our organisation. Everyone has the chance to better themselves.

Our employees working together day in and day out are the foundation of MSWIL. They define our ability to support our customers with dedication, skill and perseverance.

**Gratitude**

I want to express our gratitude to all our customers for your trust in us and for giving us the opportunity to serve you. It means everything to us. We thank you for your support and advice in implementing our reorganisation plans. To our partner, thank you for your dedication to always bringing the best solutions to our customers.

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



To our employees and teams, your energy, talent and positivity ensure that Motherson always 'shines to win.' We would like to thank the central, state and local government bodies, as well as all banks and financial institutions for their collaboration. On behalf of MSWIL, thank you all.

Sincerely,

May God bless us and allow us to continue to create value across India for all those individuals and their families that we touch through our work!

Vivek Chaand Sehgal, Chairman,  
**Motherson Sumi Wiring India Limited**



# The future is bright for MSWIL.

A conversation with **Laksh Vaaman Sehgal**

In order to get a better perspective on the strengths and prospects of MSWIL, we sat down with Laksh Vaaman Sehgal, and asked for his views on a range of topics relevant to the company and the industry.

**Q1**  
How will MSWIL be able to outpace the Indian automotive industry?

Traditionally, we have been able to grow faster than the market by focusing not on increasing market share but on increasing content and value per car. This means that we work very hard to build trust with the OEMs through our performance on our QCDDMSES parameters (Quality, Cost, Design, Delivery, Management, Safety, Environment and Sustainability). Based on that trust, we have been able to establish long-standing relationships with our customers, which in turn results in them coming to us with more orders. Another important factor is our connection with the global strength of our parent companies, Motherson and Sumitomo Wiring Systems, Ltd. Through our parentage, we are closely aligned with industry changes both locally and globally and we have strong capabilities in terms of research and development and creating new solutions for our customers in India. As a result, we are able to bring

tried-and-tested technologies and manufacturing processes to our customers in India, for whom we have evolved from being a component supplier to being a technology partner. That is how we have been able to outpace the growth of the Indian automotive industry in the past and how we hope to outpace it in the future as well.

**Q2**  
How ready is MSWIL for the upcoming electrification trend?

MSWIL is focused on serving the demands of our customers in this area. Electrification is strongly trending in the Indian automotive market and we are serving our customers with specific wiring harness solutions. In addition, we provide high-voltage solutions, wiring harnesses and components for electric and alternative power-train vehicles.

**Q3**  
Are you open to acquisitions for MSWIL?

MSWIL is focused on the domestic wiring harness in India and at

the same time, committed to following the customer in line with the group philosophy. Whenever there is a requirement from a customer either for Greenfield or for an acquisition, the company will evaluate and consider the same to support customers.

**Q4**  
What is MSWIL's approach to sustainability?

Our sustainability policy has three focus areas: Planet, People and Governance. Under Planet, our priorities are energy and water conservation and the transition to renewable energy sources. For example, many of our plants in India use solar panels. In addition, we are working closely with our customers to make our processes and products more sustainable in line with their targets and requirements. Under People, our focus is on protecting human rights, ensuring safety and well-being and promoting diversity and equality for all.

We are happy to have a large number of women workforce as part of our team. Our company's female employees are strong-willed and independent individuals. The dexterity of their hands helps to yield quality and on-time product, especially in the assembly area wherein their taping speed is unmatched and their rhythm to work indispensable. We work towards creating a welcoming and safe space for women in our workforce. We are committed to empowering women which is a critical component of our sustainable social practices. With this approach, we'll keep fostering an atmosphere where women feel seen, heard and encouraged as they advance in their careers. In the area of Governance, our approach centres around ethics and compliance, financial performance and risk and management systems. Together, these policies provide a framework for achieving our sustainability objectives.

**Q5**  
**Are you planning to expand outside the wiring harness segment with MSWIL?**

MSWIL was created to meet the strategic requirements of our long-standing partner Sumitomo Wiring Systems, Ltd., who wants to focus primarily on the automotive wiring harness segment in India. So, at this moment, that is our primary objective for MSWIL. However, in future, if our customer asks us to expand beyond wiring harness, we will certainly be looking into this in consultation with Sumitomo Wiring Systems.

**Q6**  
**How will the management strength of Motherson be transferred to MSWIL?**

The MSWIL management consists of very experienced and senior industry leaders. Both our COO, Mr. Anurag Gahlot and CFO,

Mr. G.N. Gauba, have a long track record with Motherson. In fact, the entire operational team remains the same and consists of experts who know the industry and the Motherson philosophy inside out. Our governance structure has always been focussed on generating long-term, ethical growth and this will not change. In addition, our Chairman Mr V.C. Sehgal and myself are actively involved with MSWIL as well. So, I think we have the strongest possible team, which puts us in an excellent position to serve our customers.

**Q7**  
**What are the strengths and opportunities for MSWIL?**

MSWIL is the largest listed automotive wiring harness player in India with a diversified and PAN-India industrial footprint. It is a company with strong customer relationships across OEMs. MSWIL has access to

world-class technology. Our research and development capabilities are a result of a combination of the technological knowledge of our parent companies both SAMIL and SWS. Our relationship with respect to technical collaboration with Sumitomo Wiring Systems Limited spans over thirty-six years. MSWIL is a company with a product profile that benefits from favourable industry trends of premiumisation leading to an increase in electrification in automobiles and supports existing and future automotive themes.

The reorganisation will lead to growth and value creation in the long run and will maximise the value and returns to the shareholders, unlocking the intrinsic value of the assets and achieving cost efficiencies and operational efficiencies.

**Q8**  
**Who are MSWIL's biggest customers?**

Our customers include all major automotive OEMs in India and our long-standing, trust-based relationships with them will continue. We have a strong market position; our content and value per car with these customers is high and we remain committed to further increasing it.

We are poised to benefit from the growth expected in the Indian automotive market, which is in line with the tremendous potential of the Indian economy as a whole and rising affluence across the country.

**Q9**  
**How will the margins of MSWIL evolve in the coming financial years and what is your outlook on margins beyond that?**

Our goal is to achieve a ROCE of 40% by 31<sup>st</sup> March 2025 and a top line of USD 36 billion for Motherson as a whole. That means that we do not just look at margins but also at working-capital deployment, inventory turns, reducing scrap in the manufacturing process, etc.

We take a holistic view and margins are a part of that as well. We have the good fortune that we are able to pass on cost increases to the Indian OEMs that MSWIL supplies to as this protects our margins to an extent. However, as we have five-year targets as guidance and our focus is on 2025, we do not give specific guidance on margins.

'We aim to better ourselves every single day so that we can continue to delight our customers across all the main parameters they care about.'



order wins, organic growth and customer awards are the metrics we use to track how well we are doing.

**Q12**  
**What is the impact of global developments such as fluctuating raw-material prices, chip shortages, energy-price increases, etc., on MSWIL?**

We are feeling the pinch when it comes to raw materials, semiconductors and energy prices. There are shortages in the system due to the global situation and we are not insulated from those in the Indian market. However, one advantage that we have in India is that we already have arrangements in place to pass along any cost increases to our customers if prices increase beyond a certain limit in a given quarter. This means that MSWIL's wiring harness operations in India are in a good situation despite current conditions.

**Q13**  
**Are there any plant expansions in India coming up and what are your CAPEX plans?**

In India, all our current plants are located close to the plants of our customers. Whenever our customers express the need, we will open a new plant next to their facilities. So, we will follow our customers to any new region within India as required. In other cases where a new plant may not be needed, we will expand an existing plant to meet our customers' demands. As far as expansions are concerned, we expect our CAPEX to be somewhere around INR 100 to 150 crores for the coming fiscal year.

**Q10**  
**What is MSWIL's long-term vision?**

MSWIL is part of Motherson and is thus aligned with Vision 2025. As such, our vision is to be a preferred sustainable solutions provider for the Indian automotive wiring harness market. So, there is no fundamental change in what we want to be and how we view our role in the industry for our customers.

**Q11**  
**What is the difference between MSWIL and other wiring harness manufacturers in India?**

We do not really compare ourselves with others. We

cannot control what they do and what they do is not necessarily good for our customers and hence for us. Instead, we aim to better ourselves every single day so that we can continue to delight our customers across all the main parameters they care about, which are QCDDMSES: Quality, Cost, Design, Delivery, Management, Safety, Environment and Sustainability. Our conversations with customers and their trust in us as expressed in new





for India-based OEMs out of the parent company Motherson Sumi Systems Limited (MSSL) and into a separate legal entity.

So what is the focus of this new company and how will it grow in the exciting Indian automotive industry?

**The start of a new journey**

For MSWIL, our journey is just beginning. With demand for vehicle electrification sharply rising, the rapidly evolving Indian automotive market offers countless opportunities and with the support of Motherson and its culture of quality, trustworthiness and innovation, MSWIL is in a favourable position to make a difference. Given our strong parentage, our long-standing relations with customers, our footprint across India and a dedicated and professional workforce, we believe that our future is bright.

As a result of its heritage, MSWIL has a leading position in the automotive wiring harness segment in India, providing full-system solutions for OEMs. Its roots were planted in 1986 when Motherson Sumi Systems Limited (MSSL) and Sumitomo Wiring Systems (SWS) Japan established a joint partnership.

In recent years, it became clear that focusing on the wiring harness business in the Indian market would be an advantageous step towards meeting the future needs of our customers. Through the demerger, the wiring harness business in India was separated from MSSL (now renamed as SAMIL) to give rise to MSWIL, which was listed on Indian stock exchanges in March 2022.

*'Our wiring harness business in India is the foundation on which the group was built over the years and Motherson Sumi Wiring India will continue to strengthen its capabilities further. With the listing and trading of MSWIL shares, the group reorganisation initiated in July 2020 is now completed and Motherson now has two publicly listed companies. I would like to thank our customers and shareholders for their continued trust.'*

**- Mr. Vivek Chaand Sehgal,**  
Chairman

**Working closely with customers**

MSWIL is a trusted partner and a Tier 1 supplier to leading automotive OEMs and has well established strategic relationships with customers, relationships built on trust focusing on consistent, outstanding performance.

MSWIL offers wiring harnesses for a wide variety of vehicles, from passenger and commercial vehicles to two and three-wheelers, farm equipment and off-road vehicles. The company portfolio contains an array of products manufactured using state-of-the-art technology and forward-thinking.



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



# Origin of Motherson Sumi Wiring India Limited.

In 1986 Motherson Sumi Systems Limited (MSSL) was established as a joint venture with Sumitomo Wiring Systems (SWS), Japan; which was followed by its listing in 1993 on stock exchanges in India.

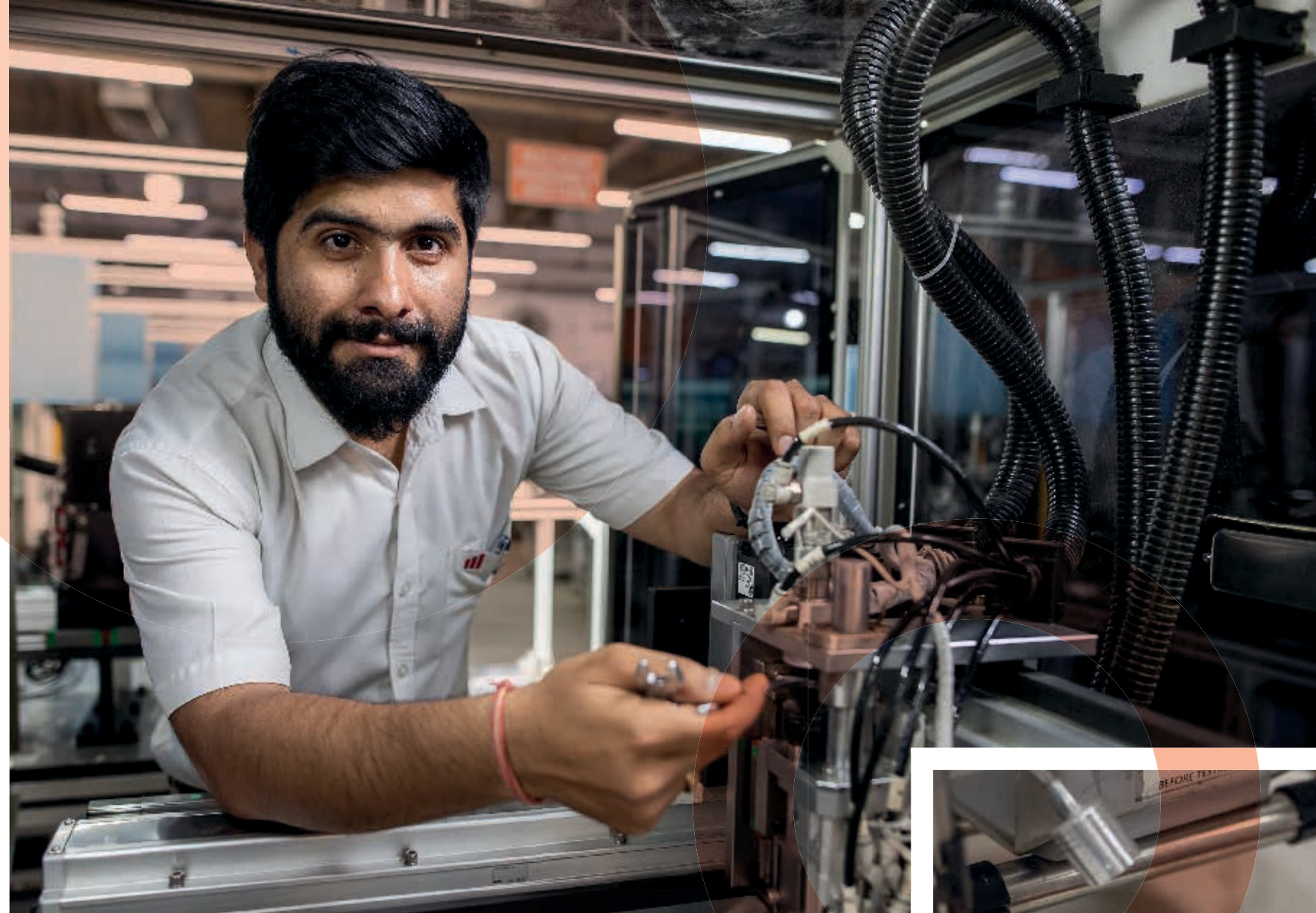
Motherson Sumi Wiring India Limited (MSWIL) was demerged and listed on the Indian stock exchanges in March 2022, by bringing the automotive wiring harness manufacturing activities

With over 40,000 employees in 23 facilities, the company has a diversified PAN-India industrial footprint, close to OEM locations. MSWIL offers localised products and services to meet our customers' demands quickly and efficiently. Our geographical presence is a result of our customer-centred approach.

We follow our customers wherever they need us and we can set up plants close to their facilities when required. This allows us to work closely with our customers. It also means that our products can be manufactured and delivered on a just-in-time and just-in-sequence basis, which in turn increases the efficiency of our customers' supply chains. The solutions we offer are tailored to support each of their initiatives and ambitions and MSWIL is proud to be part of our customers' success.

MSWIL has the capabilities to accompany our customers throughout their entire product journey. By virtue of the parentage of Samvardhana Motherson International Ltd. (SAMIL), we support our customers right from design to finished products. Our services include 3D computer-aided design (CAD), printed circuit board (PCB) design and routing, 3D printing, prototyping, virtual and physical validation and technology implementation support, giving us the ability to delight our customers every step of the way.

Our proximity to our customers also aligns us with sustainability goals: more OEMs are seeking local suppliers as an environment friendly and more secure option than imports.



**Solutions for new energy vehicles**

MSWIL is well-positioned to take advantage of rapidly changing trends in the automotive market. The rising demand for customisation leads to more wiring harnesses per vehicle (increase in content per vehicle). More connectivity features in a vehicle lead to the demand for high-value SMART harness components. With the demand for sustainable technologies and advanced safety and emission norms, the value per harness goes up and so do the electronics and EV solutions offered by the company. For electric vehicles/alternative

With 33.4% of shares held by Samvardhana Motherson International Ltd. (SAMIL) and 25.3% held by Sumitomo Wiring Systems, Ltd., Japan, the demerger of the domestic wiring harness business from MSSL came into effect on 5<sup>th</sup> January 2022. The equity shares of MSWIL were listed on

the BSE Limited (formerly Bombay Stock Exchange) and the National Stock Exchange of India Ltd. (NSE) on 28<sup>th</sup> March 2022. This step affirms MSWIL as a domestic wiring-harness-focused company that is well-equipped to support and fulfil the current and future needs of our customers in India.



powertrains, the company (with support from SWS, a global leader in wiring harnesses for alternative powertrain solutions) is fully equipped to provide high voltage solutions, wiring harnesses and components. As we have advanced, we have established ourselves as a trusted full-system solutions provider committed to staying at the forefront of technological developments.

**Driven by innovation**

As an independent company, MSWIL enjoys the freedom to dedicate its efforts to the needs of the developing Indian market while continuing to profit from its connection with Motherson's global operations. This synergy is especially important with electrification

strongly emerging as a strong trend in the Indian market. With the increasing demand for partially and fully electric vehicles (EVs), new wiring harness technology is required to handle high-voltage distribution in EVs. Powered by the spirit of innovation embedded in the Motherson DNA, MSWIL will be able to draw on our rich traditions of product design, development and manufacturing to continue generating new solutions to meet the demands of our customers.



## Our strong parentage.

Motherson Sumi Wiring India Limited (MSWIL) was established as a result of the demerger of the automotive wiring harness business for Indian OEMs from our parent company Samvardhana Motherson International Limited (SAMIL). This step enables us to streamline and enhance our focus on the wiring harness business in India, making us better equipped to serve the current and future needs of the Indian market. As a result, we have strong parentage from SAMIL (33.4% shareholding) and Sumitomo Wiring Systems, Ltd. (SWS), Japan (25.3% shareholding).

### Sumitomo Wiring Systems, Ltd. parentage.

Sumitomo Wiring Systems, Ltd. (SWS), a 100% subsidiary of Sumitomo Electric Industries Japan is a world leader in the production of wiring harnesses, harness components and other electric wires. Our partnership with Sumitomo dates to 1983, with the signing

of a technical agreement. In 1986, Motherson and Sumitomo formed a joint venture to serve the growing Indian market for automotive wiring harnesses. SWS's global manufacturing operations are expanding, with development, manufacturing and sales sites in over 30 countries and over 100 group companies in Asia, Europe, the U.S. and Africa. Based on innovative research and development, SWS has consistently developed and introduced new components and technologies into the market.

MSWIL benefits from the vast wiring harness expertise of SWS, especially in the area of R&D capabilities and technical expertise. The association with SWS enables MSWIL to provide its customers with the latest technologies in wiring harnesses, wires and components and an ability to improve its manufacturing efficiencies. In addition, our association with SWS helps MSWIL to better evolve with major industry and technology trends such as electrification.

## Samvardhana Motherson International Limited parentage.

As one of the fastest-growing global automotive suppliers, Samvardhana Motherson International Limited (SAMIL) offers a wide range of solutions for OEMs globally. This gives MSWIL access to global solutions from any of SAMIL's units and subsidiaries that are relevant for MSWIL's Indian wiring harness customers. In addition, through SAMIL, MSWIL benefits from seasoned and a strong professional management team, with

years of entrepreneurial experience, operational expertise and deep industry knowledge.

The relationships with our employees are also long-lasting. The majority of our management team has been with the business for many years, which provides stability and continuity in business operations. Senior managers have valuable industry experience and a strong understanding of their respective markets and regions which is then passed down to the next generations.

Maintaining long relationships with our employees means that knowledge and experience are not only preserved but further developed. While the future will inevitably bring change, the stability of all

our relationships – with our parent companies, employees and customers – will allow us to meet whatever challenges come our way. This ensures that every level of MSWIL is guided by the Motherson philosophy, meaning that we work as one family on a shared vision.

Local managers take care of day-to-day operations in their plants to ensure that each facility is managed according to its particular needs, within the values and the overall strategic, operational and governance framework of Motherson. As a result of our SAMIL parentage, MSWIL contributes to the global Motherson Vision 2025 targets of achieving a top line of USD 36 billion by 2025 with a Return on Capital Employed of 40%.

Our parentage provides us with significant marketplace advantages. Thanks to our association with two exceptional parents, SAMIL and SWS, MSWIL is well-positioned to work to achieve its vision of being a preferred sustainable solutions provider in the Indian automotive wiring harness industry.



'While the future will inevitably bring change, the stability of all our relationships will allow us to meet whatever challenges come our way.'

# SAMIL 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.

MSWIL is part of SAMIL's Vision 2025.

## 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

'We always believe our next step will be the best step of our lives. New beginnings have something magical; they allow us to see things with fresh eyes while preserving all experience we have gained over the years.'



# Industry trends in India.

**The Indian automotive sector is a fast-growing and attractive market, for both Indian as well as global OEMs. Drivers are becoming more sophisticated and demanding. Technology is developing rapidly. So what are the key developments in the Indian market and how is MSWIL responding to them?**

## Preparing for an electrified future

Electrification continues to be a key trend in the industry as demand for electric vehicles (EVs) continues to grow. EV sales in India are currently upscaling and this trend offers many opportunities for MSWIL. With the sustainability movement gaining momentum worldwide, vehicle emissions are a growing concern and new governmental regulations are contributing to the drive towards electrification. MSWIL is well-positioned to leverage these mega industry trends. For electric vehicles/alternative powertrains, the company is fully equipped to provide high voltage solutions, wiring harnesses and components.

Some major cities are implementing low and zero emission zones and in India, the government has introduced the Bharat Stage Emission Standards (BSES), which requires compliance with BS6 (BSVI) emissions standards. While internal combustion engines (ICE) will remain in use for the near future, NEVs will be a key part of complying with new regulations and addressing climate change.

In the switch from the ICE to the electric drivetrain, OEMs are reimagining the vehicle. This means that new technology is needed, including systems for handling the high-voltage power required by EVs. Drawing on our decades of experience as well as our in-house expertise, we are preparing to meet this demand.



## Preparing for a connected future

Connectivity is a second important trend in India. As our world becomes increasingly digitised, drivers and passengers expect their vehicles to be equipped with the latest in digital technology, from advanced driver assistance services (ADAS) to in-vehicle wireless charging. As the digital infrastructure in the vehicle becomes more complex, so does the power system that keeps these devices running. MSWIL offers both wiring harnesses and components that support vehicle connectivity. We will continue to provide cutting-edge solutions to meet the demands of customers for today and tomorrow.

**Prepared for customisation**

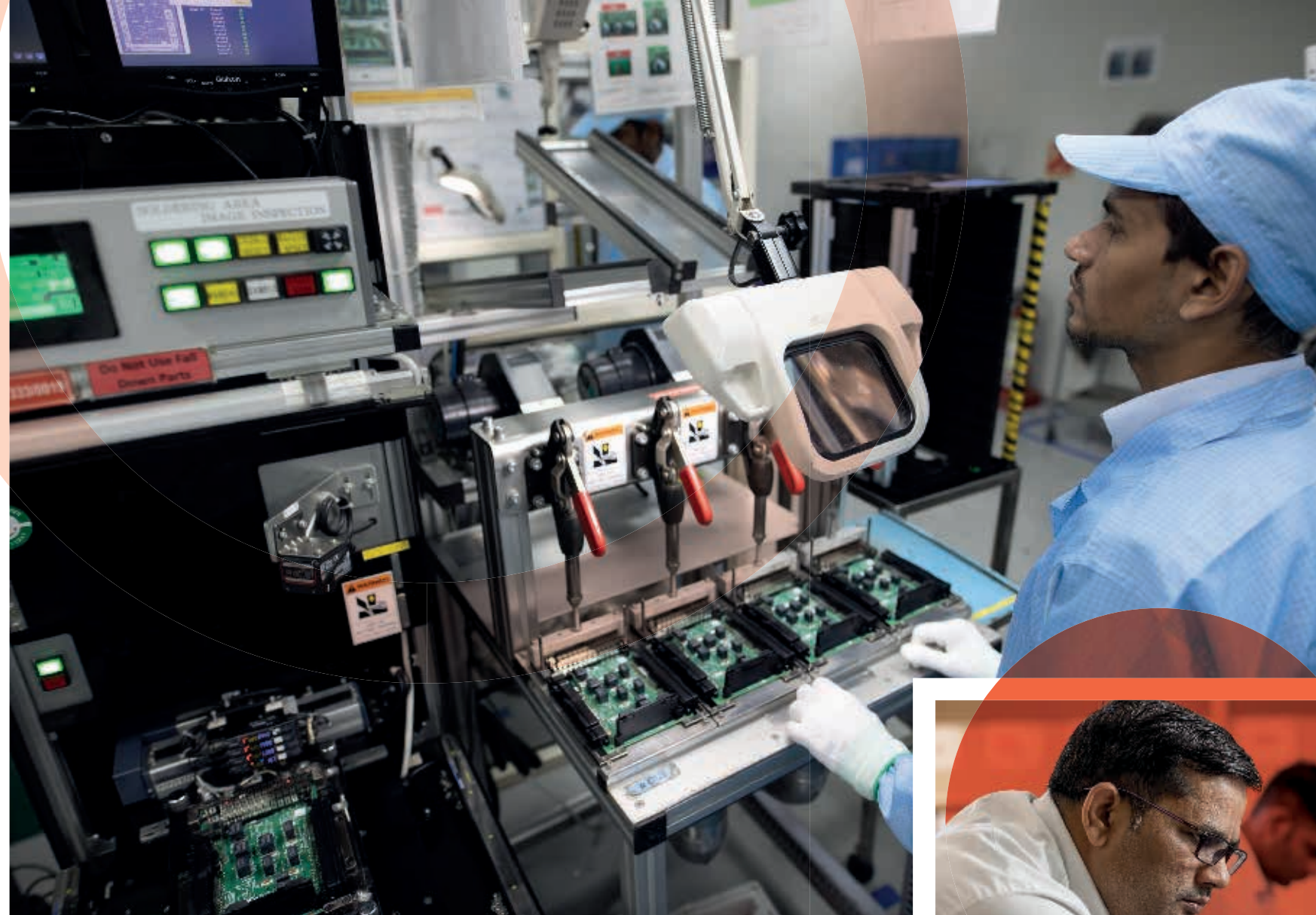
The relationship between people and their vehicles has always been deeply personal — from the young new driver tinkering with their vehicle to the long-haul trucker who has his cab painted with a custom design, what we drive often expresses who we are. Automotive manufacturers share this desire: in an increasingly crowded landscape of OEMs, external and internal features that help build brand identity can make all the difference in the market place.

These desires for customisation and premiumisation are also important trends shaping the marketplace and for MSWIL, this is an opportunity for us to increase content-per-vehicle with our high-quality product line. With our capabilities, we can design wiring harnesses and components that help OEMs produce the vehicles that best embody their values.

**The power of parentage**

Part of MSWIL's strength in adapting to these trends and developments comes from its parentage: Samvardhana Motherson International Limited (SAMIL) and Sumitomo Wiring Systems, Limited (SWS). Our relationship dates back 36 years and together we have grown into a durable company which our customers can trust. SAMIL supports us with sourcing wires and components, building and land leases and strategic guidance and direction.

From SWS, MSWIL receives assistance in sourcing components,



'With our extensive presence across India and our expanding product line, we are prepared not only to follow current industry trends but to redefine them with our groundbreaking products.'

technical help and access to world-class technologies, including gateways, junction boxes and Electronic Control Unit (ECU). Although we are an independent company, we're not alone, our capabilities are bolstered by the combined strengths of SAMIL and SWS.

**A future made in India**

This is an exciting moment for the Indian automotive market — India is on track to become the third-largest global market and new opportunities for MSWIL are abundant in this evolving landscape. With our extensive presence across

India and our expanding product line, we are prepared not only to follow current industry trends but to redefine them with our groundbreaking products. We believe we are capable of making a positive impact on the Indian marketplace by offering locally made, cutting-edge solutions and a steadfast commitment to helping our customers realise their ambitions.

# Sustainability

With the effects of climate change becoming increasingly apparent, the sustainability movement is gathering momentum worldwide. However, sustainability is not just about preserving the planet. It is also about governance and our relationships with each other, that is, all our stakeholders: our customers, our employees and their families and the communities where we operate. In MSWIL, we have already made significant investments in sustainability initiatives that we believe will have positive, long-term effects on our world. At Motherson, we are structuring our sustainability efforts around three topics: Planet, People and Governance.

## Planet: reducing our carbon footprint

MSWIL is making our facilities as eco-friendly as possible. We have installed electrical appliances powered by motion sensors, automatic on/off switches for our lighting and air-conditioning systems and 100% of lights are upgraded to LED which is energy efficient including the lights in our canteens that are controlled by 'lux-level' sensors. Our cabin fans have been replaced with high-volume low-speed (HVLS) fans that are more energy-efficient. These may seem like small changes, but together they add up to significant energy savings.

Indian-based international OEMs are asking for an overall carbon neutrality roadmap from their suppliers and in

response, We are setting the ambitious goal of becoming Carbon Net Zero across our current global operations by 2040. In addition to numerous initiatives addressing our Scope 1, 2 and 3 emissions, we also have plans for creating sustainability roadmaps for each unit to ensure that our principles are being consistently implemented at every level.

Another contribution to sustainability comes from our main product: automotive wiring harnesses. With demand growing for partially and fully electric vehicles (EVs), OEMs are searching for solutions for handling high-voltage distribution and other technological requirements for the electrified drivetrain. MSWIL is developing the capabilities to meet this growing need and we will continue to collaborate with our customers to deliver cutting-edge products that support sustainable mobility.



'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 (SAMIL)  
 Motherson Sumi Wiring India Limited (MSWIL)

## People: diversity and training

We strive to cultivate a culture of diversity and inclusivity in our workforce – at MSWIL, we welcome employees from all geographies, socioeconomic backgrounds, races and genders. We are especially proud to have a growing number of women on our team. We support women interested in pursuing their careers in science, technology, engineering and mathematics (STEM) by providing a safe and supportive environment in which to explore their curiosity and apply their knowledge. We create an environment where women can share their expertise, develop their skillsets and contribute their insights, knowledge and passion to our mission. MSWIL is also invested in establishing long-term relationships with our employees and facilitating upward mobility in the company. For employees this means opportunities for professional development, upskilling and mentorship as well as assistance in rising through the ranks. We consider ourselves to be a family and we aim to create lasting bonds with our employees to create continuity, stability and connection within the company. For the customer, seeing the same faces year after year at MSWIL generates a sense of trust, which in turn allows us to build deeper relationships. Investing in talent retention also helps us build a rich shared knowledge across the group: together over the years we can help each other to grow our expertise, understanding and abilities, which will ultimately make us a company that will last for generations.

## Governance: coordinating our sustainability efforts

We have a team looking at the sustainability initiatives of the company, which is responsible for spearheading the implementation of the best practices across the company. Also, at every facility, we have an EHS (Environment, Health and Safety) representative who helps the team in executing and achieving their sustainability ambitions.

## A long-term commitment

At MSWIL, sustainability is not just a trend — for us, it's a commitment.

We are proud to be part of planet Earth and proud to be part of the communities where we operate and we will continuously strive to become a sustainable preferred solutions provider. To know more about sustainability initiatives of MSWIL, please refer to the Business Responsibility and Sustainability Report (BRSR) section of this Annual Report. To know about these initiatives across Motherson Group, please refer to the Sustainability and BRSR Section of the SAMIL Annual Report.

'We have plans for creating sustainability roadmaps for each unit to ensure that our principles are being implemented at every level.'



# People focus & strength of human capital.

## Q1

**Given that wiring harness manufacturing is people-intensive, what are the key success factors in getting the right people?**

MSWIL believes in people's power. It is our people who have toiled and worked beyond the call of duty to help us unfold new chapters of success. MSWIL's work culture

emphasises high work ethics and promotes the overall development of its workforce. The organisation has developed several strategies and devised channels to engage with employees on matters ranging from administration to wellness, from strategic inputs to progress evaluations. We value communication, thus we have work councils and interactive sessions at various levels of operations to encourage two-way communication within the organisation. Several digital engagement tools have been developed which help employees with their day-to-day queries on pay-roll, attendance, policies, health and wellness, among others. Various cross-functional teams have been established to enhance processes and practices based on feedback collected through programmes that are deployed across all operating functions.

A collaborative working environment drives the spirit of our employees and paves the way for us to achieve our ambitious five-year plans.

## Q2

**What is the way people work together in the wiring harness assembly process?**

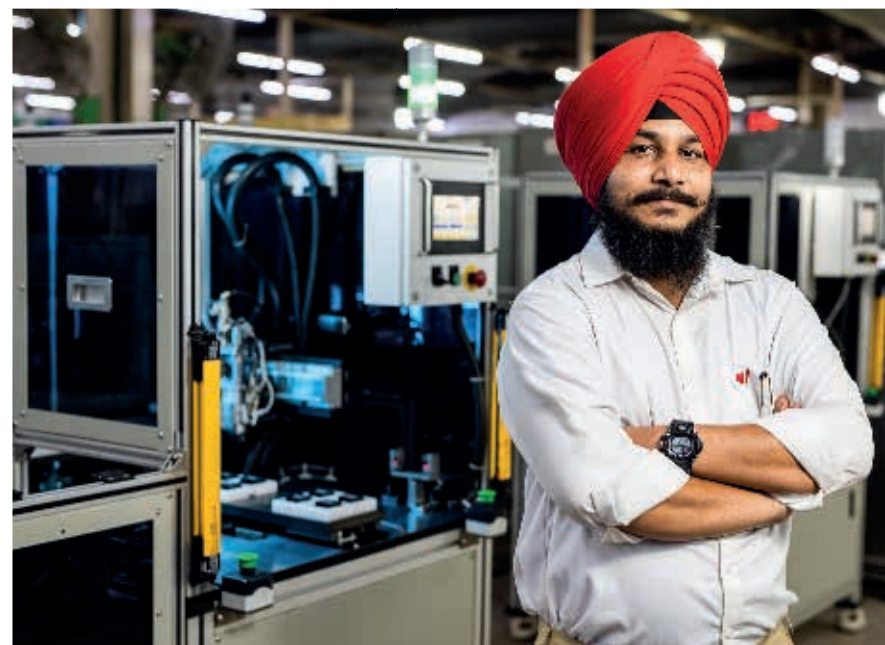
Wiring harness manufacturing is a human-intensive industry. The manufacturing facilities depend on the dexterity and expertise of the employees who work relentlessly to produce wiring harnesses of the highest quality. Employees are thus at the very core of the organisation's operations.

## Q3

**The Wiring Harness division has many women employees. What is the reason or background behind this?**

MSWIL ensures high workplace ethics and supports the general advancement of its women workforce. The female workforce of MSWIL consists of confident and independent women who contribute to the company's growth. In the assembly area their taping speed is unsurpassed and the dexterity of their hands helps to yield high-quality products that are delivered on time to customers.

Financial independence gives them the self-assurance they need to take charge of their life and develop their unique personalities. Their unwavering commitment to collaborate as a team and provide all assistance necessary to accomplish the deadlines in their respective areas of work is what sets them apart!



**Q4**

**What kind of training programmes does MSWIL have for the shop floor associates?**

MSWIL believes in skill enhancement, of its employees. We have a dedicated in-house training academy along with a series of programmes to nurture a pool of talented and future-ready employees. Skill Olympics, kaizen, best practise sharing teams are other opportunities which ensures learning from best of the world. The company has designed engaging learning programmes to empower employees with the competence for hands-on experience and the exciting new technologies and challenges that are evolving in the automotive industry.



**Q5**

**What is the growth path available for young people?**

We have well-defined progression plans in place for employees in all hierarchies. There are associate progression plans, trainee progress plans and talent development processes for our junior, mid and senior management people. We are an organisation that adheres to the 'growth from within' philosophy and we use Internal Job Posting (IJP) process to identify and hire in-house talent for all special and new projects.

**Q6**

**What is the role of trust in the training process and development of employees?**

The trust our customers place in us speaks volumes about MSWIL's success. Part of this growth is accredited to the trust our employees place in us. Supportive and approachable management with flexible human resource policies ensures year-on-year employee retention and quick resolution of issues.

The richness of the MSWIL culture and its conduciveness to employee prosperity are the reasons why the organisation has been able to harbor trust in its people. Our induction process familiarises every MSWIL employee with the company culture, values and practices. Training is an effective medium in this undertaking. A comprehensive training structure is laid down for all employees. In addition to this, regular training on job-related modules is also provided to help employees improve continually in the performance of their duties.

These measures help in grooming our employees in all cadres, helping them to rise manifold in rank and spearhead strategic positions within the organisation. This approach has helped us retain employees even after decades of service, who still continue to work with the organisation.

**Q7**

**At Motherson, we often hear the phrase 'ordinary people doing extraordinary things'. How does this apply to the MSWIL?**

MSWIL trusts in the strength of its employees. Our company is driven by over 40,000 employees who collaborate to delight customers. All you need is the willingness and the ability to perform. We think the only ceiling on growth is the one you place on it. From the perspective of the organisation, we offer you all the assistance you need to advance and realise your full potential. We strive to realise human potential. And that's why we say we are ordinary people striving for extraordinary results.



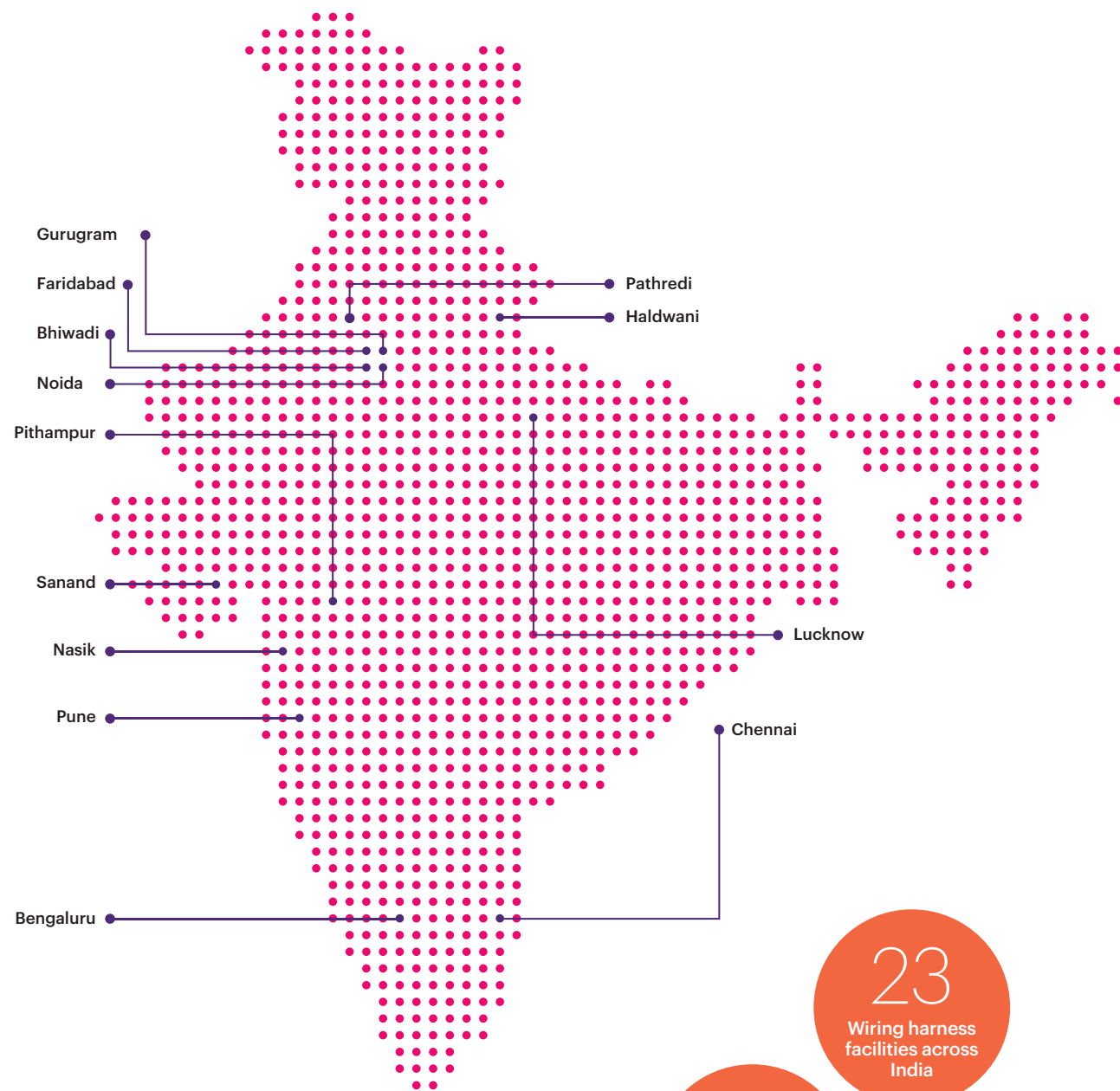
**Q8**

**Motherson sees employees as 'partners in progress'. What roles do associates play in the quality circles, to come up with improvements on products and processes?**

Quality Circles (QC) encapsulates and accentuates the spirit of teamwork and passion to solve work-related problems and present to the world the best of the works. We are successfully involving and evolving employees since 1999 in this movement. This is a great way to develop a solution-oriented approach in employees and teach them different problem-solving techniques. We not only engage our employees but also motivate them by acknowledging their contributions. This gives them the determination to build further on their skills and perform

even better. We always find new ways to continually evolve our employees into skilled professionals. An organisation in which all employees work in complete harmony is bound to generate credibility in the eyes of the customers.

- We have set up dedicated QC display centres in our units.
- We recognise units completing the maximum number of projects.
- We dedicate rooms for QC activities – meetings, brainstorming sessions etc.
- For our QC trainers, we have a 'train the trainer' module to keep them abreast with latest techniques.
- We host special luncheon for teams that bring in laurels for us.
- We provide computer and presentation training for our associates so they are prepared to address audiences, even on a global scale.
- We instil the importance of teamwork in our employees.
- We upgrade the skill levels of our employees by teaching them all the technical know-how.
- We encourage all employees to take on new projects in quality, productivity and safety.



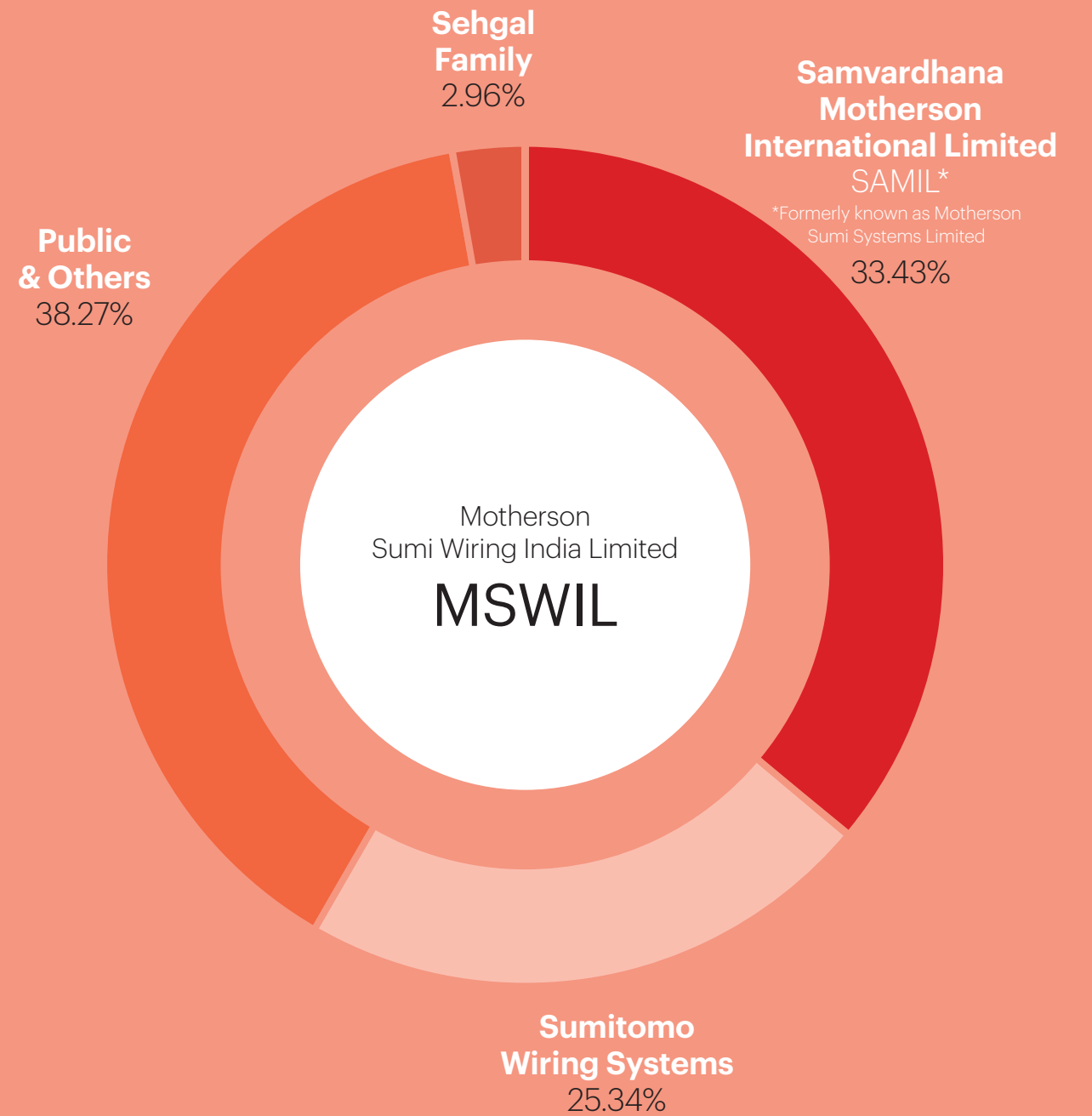
Strategically located at multiple locations for de-risking

23  
Wiring harness facilities across India

Proximity to customer location

Diversified and PAN-India industrial footprint.

# Shareholder structure.



# Financial highlights.

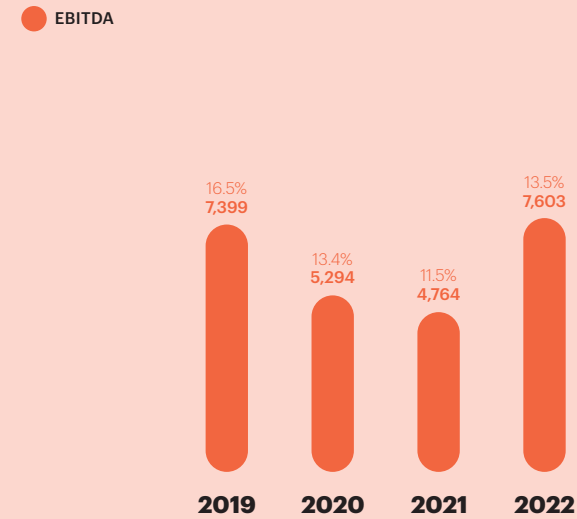
## 01 Revenue from operation.

In million INR



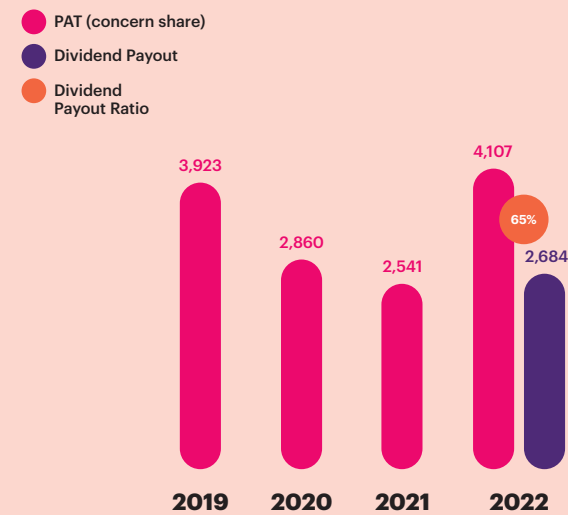
## 02 EBITDA.

In million INR

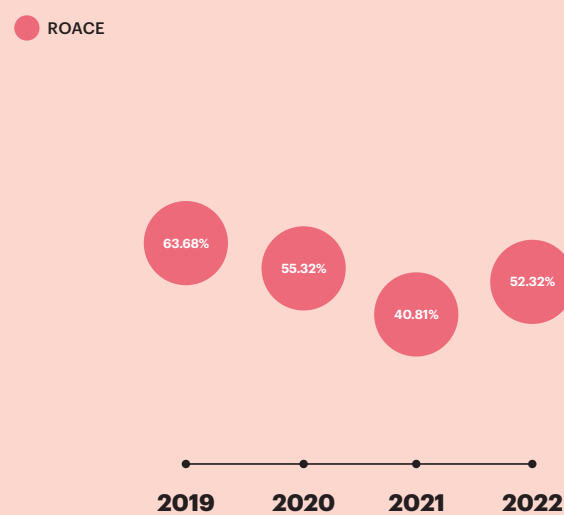


## 03 PAT and Dividend Payout.

In million INR



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



**Note:** The financial figures for FY 2018-19, 2019-20 and 2020-21 represents the domestic wiring harnesses business, as part of Samvardhana Motherson International Limited prior to appointed date for demerger i.e. April, 01 2021, after making proforma adjustments necessary to reflect the post re-organisation scenario.

# Awards.

Company	Award
Toyota	Special Appreciation
Toyota	Achieving Targets in Delivery
Maruti Suzuki	Upgradation of Tier 2 Vendors
Maruti Suzuki	Overall Performance
Maruti Suzuki	COVID-19 Initiatives
Maruti Suzuki	Special Support
TATA Motors	Best Supplier of Quality Month - Gold Category (Wiring Harness)
Ashok Leyland	Sustained Business Alignment for Decade
Ashok Leyland	Runner Up Non-Proprietary Category
Ashok Leyland	Excellent Parts Quality & Line Support
Yamaha	Appreciation for Cost
Suzuki Motorcycle	Consistent Quality



## 1. Quality Awards

### Tata Hitachi

Consistent and Best Performer  
ERH Category

### Caterpillar

Bronze Level as per SQEP Matrix

## MANAGEMENT DISCUSSIONS AND ANALYSIS

### BUSINESS BACKGROUND AND UPDATE

Motherson Sumi Wiring India Limited (MSWIL or the Company) was incorporated on July 02, 2020 as a 100% subsidiary of Samvardhana Motherson International Limited (SAMIL) (formerly Motherson Sumi Systems Limited (MSSL) renamed as Samvardhana Motherson International Limited on May 18, 2022).

The Board of Directors of SAMIL, in its meeting on July 02, 2020 had approved a group reorganisation plan with the objective of simplifying the structure and meeting a long-standing request from Sumitomo Wiring Systems Limited, Japan to separate the domestic wiring harness business as an independent legal entity. The reorganisation plan among other things involved the demerger of the Domestic Wiring Harness ("DWH") business from MSSL into Motherson Sumi Wiring India Limited ("MSWIL") with mirror shareholding.

The scheme was approved by National Company Law Tribunal (NCLT) Branch IV, Mumbai on December 22, 2021. All the shareholders of SAMIL, as on January 17, 2022 being record date, were issued shares of MSWIL in the ratio of 1:1 on January 19, 2022.

The scheme of demerger of DWH business into MSWIL has been accounted in the books of MSWIL with an appointed date of April 1, 2021. The previous period figures (July 2, 2020 to March 31, 2021) represent the figures of Domestic Wiring Harness as reported by SAMIL as Discontinued Operations.

The demerger accomplishes the long-standing demand from the company's joint venture partner, Sumitomo Wiring Systems Limited Japan (SWS) to keep its participation focused on wiring harnesses business in India, which is its core area of business interest as well as the basis of starting point of the joint venture established in 1986. This helps to enhance the focus on the business and is better equipped to meet the current and future needs of wiring harness for the customers in the domestic market.

### COVID-19 Pandemic Update

Following the outbreak of Covid 19 spread over the world in the last quarter of FY 2019-20, the pandemic caused much disruption to daily life and economic activity during FY 2020-21 also. Despite some spike in infection rates due to the emergence of new and more contagious variants around the world, the increased awareness, availability and acceptance of the benefit of vaccinations, helped in limiting the impact of Covid during FY 2021-22.

Unfortunately, India suffered the second wave of the pandemic in April - June 2021, which was more severe from a health perspective. However, the economic impact was muted compared to the national lockdown of the previous year 2020-21 and the business activity at large remained normal during the rest of the financial year.

Two years into the Covid 19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions and a return of inflation in both advanced and emerging economies. Employee communication and engagement remained at the heart of our approach and was facilitated by technology. To foster a more connected organisation, the Company has been using various media to stay connected with the workforce. The Company is meeting all the safety guidelines, shift planning have been modified and infrastructure to promote safe working conditions like masks, sanitisers, disinfectants etc. are provided for its employees and support staff.

The Company is closely monitoring the situation in India and in the respective countries, working closely with supply-chain partners as well as customers to minimise the impact on our operations and to ensure that we meet customers demands and remain flexible for changes in their schedules and at the same time working with them for suitable compensation/ price alignment to offset the unprecedented cost escalations.

We continue to work towards getting stronger and more resilient. Continual adaptation, agility, faith, determination and a "never give up" attitude are attributes that will help us steer through these challenging times and will further strengthen our approach.

### Indian Economy outlook

As per World Bank, Asian Development Bank and the International Monetary Fund projections, India will remain the fastest-growing major economy in the world during 2021-24. The economy has witnessed growth in all sectors in FY 21-22 including agriculture and allied sectors, industrial and service sectors. However, after navigating pandemic waves, the recovering Indian economy is now sailing through other challenges including spiralling commodity prices and spiking inflation, though the lighthouse of sustainable growth remains visible. Also, there is a robust demand that is anticipated across industries that are expected to drive the growth of the economy.

The automotive industry in India is one of the main pillars of the economy. With strong backward and forward linkages, it is a key driver of growth. The Automotive Industry has begun to show indications of recovery from Covid-19 and supply chain-induced challenges. The launch of new models in the year FY2021-22 has been instrumental in volume recovery.

Easy availability of finance and credit facilities have also helped industries. In the first half of FY21-22, India received ~US\$ 30 billion worth of funds through foreign direct investment, a 15% increase over the same period last year. In September 2021, the government approved the Production Linked Incentive (PLI) scheme worth INR 26,058 crore (US\$ 3.53 billion) for the auto industry and drone industry to boost India's manufacturing capabilities. With the Automotive PLI scheme, the government has further incentivized the industry to boost production and localization of advanced automotive technologies which are anticipated to lead to additional investments in the country in the near future.

As per a report by NITI Aayog and RMI India, the electric vehicle financing industry in India is projected to grow to US\$ 50 billion by 2030.

### Automotive Industry

The performance of the Indian auto industry during the last four years in Production units is as follows:

(Numbers in '000)

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Passenger Vehicle	4,028	3,425	3,062	3,651
Growth	-	-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)

On a full-year basis, the highlights are:

- The industry produced a total of 22,933,230 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles from April 2021 to March 2022, as against 22,655,609 units from April 2020 to March 2021.

- There has been growth across segments in the automotive industry since last year with the exception of the two-wheeler segment.
- Commercial vehicles registered the highest growth with a 29% increase in production from last year, followed by three-wheelers at 23% and passenger cars at 19% vis-a-vis numbers from last year.

## REVIEW OF FINANCIALS

### Financial results:

The Company's financial results are summarized in the table below:

INR in Million

Heads	For the period ended from July 02, 2020 to March 31, 2021	Financial Year 2021-22	% change
Total revenue from contract with customers	39,186	55,872	42.6%
Cost of goods sold	25,111	36,093	43.7%
Employee cost	6,535	9,464	44.8%
Other expenses	2,200	3,490	58.6%
EBITDA*	5,765	7,585	31.6%
Finance costs (Net of Interest income)	71	267	276.1%
Depreciation expense	374	1,055	182.1%
Profit before tax, before exceptional items	5,320	6,263	17.7%
Exceptional income / (expenses)	-	(654)	
Profit before tax	5,320	5,609	5.4%
PAT	3,962	4,107	3.7%
Earnings per share	1.25	1.30	4.0%

\* Before interest income and exceptional items

### Sourcing and other arrangements:

The business of MSWIL has various inter-dependencies with the remaining business of Samvardhana Motherson International Limited (SAMIL). MSWIL sources wires, connectors, terminals, PVC tubes, rubber parts etc. from SAMIL. It also sources a large number of child parts from Sumitomo Wiring Systems Limited, Japan.

Further, SAMIL and MSWIL have a central team for some of the key functions in the areas of design and development services, finance, procurement engineering services, human resource and infrastructure support etc. The cost of these central teams is housed in SAMIL and is shared (other than directly attributable) between MSWIL and SAMIL.

Furthermore, as part of the reorganisation scheme, the Company has entered into long-term leasing arrangements for leasing premises on which demerged business entities are operating. The lease rentals for these premises have been accounted for as per valuation by independent valuer and by following Accounting Standard Ind AS 116.

### Major cost contributors

#### Cost of Material

For the financial year ended March 31, 2022, the cost of materials was INR 36,093 million against INR 25,111 million for the corresponding previous financial period from July 02, 2020 to March 31, 2021.

As a percentage of revenue, the cost of materials was 64.6% for the fiscal year ended March 31, 2022, which has increased as compared to 64.1% for the period ended March 31, 2021.

During the FY 2021-22, the industry witnessed:

- Significant increase in copper prices which is the major raw material for wires used in the wiring harnesses. The year saw LME copper price which had started increasing from Q4 of FY 2020-21 to a peak level of plus US\$ 10,000 per ton.
- Pricing pressure from suppliers for increasing the prices due to increased commodity prices and inflationary pressures in developed countries.
- Substantial increase in incoming freights both sea and air, thereby increasing the landed cost of child parts.

The Company has a pass-through arrangement for copper with a time lag, mostly a quarter. Further, the Company has been continuously working with customers for offsetting the increase in the landed cost of child parts, including customer nominated parts, in addition to working on localisation and alternate sourcing of some of the parts.

#### Employee cost

Overall employee cost increased by 0.3% in FY2021-22 which was 16.9% of total revenue for the year. The increase was primarily due to increase in capacity in

existing plants and increase in headcount for upcoming Greenfield plant.

Employee cost is the second largest contributor after raw materials in the total cost structure. What determines this cost is the size of operations, geographical reach and skill requirements from customers including for future developments..

#### Other Expenses

The other expenses, mainly include expenses on electricity and power repairs to plant & equipment, building as well as consumables, insurance etc. For the year 2021-22, the Company reimbursed / shared with SAMIL its share of common expenses of INR 1,544 million at cost. These expenses were either directly attributable to MSWIL or were allocated on suitable basis, mainly in the ratio of sales of domestic and non-domestic wiring harness business. During the year 2021-22, the company has also provided, an amount of INR 335 million towards management fees to SAMIL from appointed date.

#### Finance Costs:

Finance costs consist primarily of interest expenses on borrowings and finance leases.

Total finance costs of INR 267 million for FY 2021-22 included finance costs of INR 203 million provided for in respect of operating lease (including relating to lease arrangements with SAMIL in respect of premises used by MSWIL). During the previous period, the finance costs relating to such premises is not booked separately since Domestic Wiring harness business was part of SAMIL and was reported only as Results from Discontinued operations.

#### Exceptional expenses

Exceptional expense amounting to INR 654 million for the year ended March 31, 2022 towards its share of expenses Incurred for and in connection with the implementation of the Scheme of arrangement.

#### Depreciation Expenses:

Depreciation refers to the amount recognized in the income statement reflecting the amortized value of the tangible and intangible assets on a straight-line basis over the estimated useful life of the asset and includes depreciation on Right of Use Assets recognized under Ind AS 116 in respect of leasing contracts.

For the financial year ended March 31, 2022, depreciation expenses were INR 1,055 million in comparison to INR 374 million for the period ended March 31, 2021. The increase was mainly due to depreciation on right of use recognised on lease arrangements from April 01, 2021.

**Income Taxes:**

The provision for current tax for the FY 2021-22 amounted to INR 1,626 million and after providing for deferred tax credit of INR 124 million, the tax charged to P/L account amounted to INR 1,502 million.

**Financial position:**

INR in Million

Financial Position	March 31, 2021	March 31, 2022
Property, plant and equipment	1,559	1,789
Right-to-use assets	138	2,532
Capital work-in-progress	1	323
<b>Other assets</b>		
- Inventories	7,986	9,600
- Trade receivables	6,749	6,593
- Cash & bank balance	373	2,933
- Other assets	1,088	1,847
<b>Total assets</b>	<b>17,894</b>	<b>25,617</b>
Liabilities (other than loans)	9,834	11,643
<b>Net assets</b>	<b>8,060</b>	<b>13,974</b>
<b>Source of funding:</b>		
Net worth	7,097	11,146
<b>Loans outstanding:</b>		
- Short-term loans	679	193
- Long-term loans	139	-
- Lease liabilities	145	2,635
<b>Total loans</b>	<b>963</b>	<b>2,828</b>
Cash & bank balance	373	2,933
<b>Loans (net of cash and bank balances)</b>	<b>590</b>	<b>(105)</b>
Capital expenditure (Net of disposals)	281	1,008

**Ratio Analysis:**

INR in Million

Key Ratios	FY2020-21	FY2021-22	% change
Trade Receivable Turnover (days)	26	43	64.9%
Inventory Turnover (days)	82	88	7.1%
Trade Receivable Turnover (in times)	10.36	8.38	-19.1%
Inventory turnover (in times)	3.30	4.10	24.5%
Interest Coverage Ratio (in times)	79.00	26.68	-66.2%
Current ratio (in times)	1.56	1.65	5.8%
Debt Equity Ratio (in times)	0.14	0.25	87.0%
Operating Profit Margin (%)	13.2%	11.2%	-15.0%
Net profit Margin (%)	10.1%	7.4%	-27.3%
Net Debt to EBITDA (in times)	0.10	(0.01)	-113.5%

Key indicators are mentioned at the end of MANAGEMENT DISCUSSIONS AND ANALYSIS.

**Reasons for change of 25% or more as compared to the immediately previous financial period****TRADE RECEIVABLE**

Trade receivable in value terms as on March, 31 2022 were at INR 6,593 millions, lower by INR 156 million as compared to March 31, 2021. However average receivables in terms of number of days were higher at 43 days as March 31, 2022 as compared to 26 number of days as on March 31, 2021. This was due to significantly lower receivable as on July 02, 2021 (opening balance) since Q1 of FY 2020-21 was impacted due to 1st wave of Covid 19.

**INVENTORY**

Inventory holding in number of days were of 88 days for March 31, 2022 as compared to 82 days as on March 31, 2021. Inventory turnover for the year March 31, 2022 was 4.1 times, not comparable with previous period ending March 31, 2021, being revenues for 9 months from July 02, 2020.

**INTEREST COVERAGE RATIO**

Interest coverage ratio decreased from 79.00 for FY 2020-21 to 26.68 in FY 2021-22 on account of finance cost in relation to leases arrangements being booked under finance costs.

**DEBT EQUITY RATIO**

Debt equity ratio gone up from 0.14 in FY 2020-21 to 0.25 in FY 2021-22 on account of additional leases arrangements entered with SAMIL for leasing of buildings post demerger.

**NET PROFIT RATIO**

Net profit ratio decreased from 10.1% for FY 2020-21 to 7.4% in FY 2021-22 on account of Management fee and leases recognised after effective date of January 5, 2022 and exceptional expense incurred in current year, these were not in the previous period.

**CAPITAL EXPENDITURE**

During the year, the Company incurred capital expenditure of INR 1,008 million (Previous period: INR 281 million) which has been financed from internal accruals within the Company. Total capital expenditure includes INR 307 million utilised for new plant at Chennai location, remaining INR 701 million was for addition in Property Plant and Equipment (PPE) for capacity enhancement at various plants mainly at Bangalore location as well as other customer related/improvement projects.

**CASH FLOW**

During the financial year 2021-22, the Company generated a strong cash flow position after meeting operating expenses including capital expenditure. The operating cash flows (after working capital) for FY 2021-22 were INR 5,007 million (Previous period: INR 114 million) with an increase in CAPEX to INR 1,008 million (Previous period: INR 281 million). The following table summarises the company's cash flows for the current year and the previous period.

**Cash Flow statement:**

INR in Million

Particulars	For the period ended from July 02, 2020 to March 31, 2021	FY2021-22
<b>Cash flow from operations</b>	<b>1,256</b>	<b>7,623</b>
Taxes paid	(1,142)	(1,962)
Exceptional income / (expense)	-	(654)
<b>Cash flow from operating activities</b>	<b>114</b>	<b>5,007</b>
Capital Expenditure (Net of disposal)	(281)	(1,008)

INR in Million

Particulars	For the period ended from July 02, 2020 to March 31, 2021	FY2021-22
<b>Cash used in Investing activities</b>	<b>(281)</b>	<b>(1,008)</b>
Proceeds from issues of shares	1	-
Interest paid	(43)	(310)
Proceeds & (repayments of) borrowings	365	(679)
Payment of lease liabilities	(73)	(450)
<b>Cash flow from / (used in) financing activities</b>	<b>250</b>	<b>(1,439)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	83	2,560
Net Cash and Cash equivalents at the beginning of the year	290	373
<b>Cash and cash equivalents as at current year closing</b>	<b>373</b>	<b>2,933</b>

#### Operating Activities

Net cash generated from operating activities during FY 2021-22, was INR 5,007 million. Cash generated from operations before changes in working capital & income tax was INR 7,580 million.

#### Investing Activities

Net cash flow utilised in investing activities during FY 2021-22, was INR 1,008 million. This was primarily utilised for INR 307 million for new plant at Chennai location and INR 701 million for the purchase of property, plant & equipment.

#### Financing Activities

Net cash flow utilised in financing activities during FY 2021-22, was INR 1,439 million. This includes INR 989 million for repayment of borrowings as well as interest and INR 450 million payment towards lease liabilities.

#### DIVIDEND PAYOUTS:

The Company proposed a dividend of INR 0.85 per share for FY 2021-22 which will be paid after approval at the ensuing annual general meeting. The dividend payout ratio for FY 2021-22 is 65.4% of profits.

#### RISK MANAGEMENT

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 first step in creating an effective risk-management system is to understand the qualitative distinctions among the types of risks 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.

Risk Management Policy, which was approved by the Board, considers a holistic understanding of the risks that can potentially impact the operations, as well as taking action on how to effectively mitigate those risks to protect their assets and to keep operations running smoothly. The policy formulated outlines for 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 control 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
3. Step 3: Action to mitigate or eliminate the risk with a monitoring mechanism in place.

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, Risk Committee assesses various risks in the following categories:

1. Operating Risks which cover risks arising out of external factors which are outside the sphere of influence of the company as well as internal factors which are generated by the company and by processes/ operations. Some of the external factors include future industry trends, social, political, economic risks, environmental risks and Act of God etc. To this was added Natural factors such as COVID- 19.
2. Financial & Accounting risk in terms of forex risks as well as for financial reporting due to changes in various regulations.
3. Regulatory risks cover risks with respect to local laws and regulations, intellectual property, patents etc. the company is benefitted by the support from Group General and Regional Chairman Office (COSA) to mitigate the risks.
4. Strategic risks with respect to sourcing of various components as well as technical and other services from JV partners.
5. IT and Information security risks: The company has well institutionalised information security management system based on internationally recognised standards and best practices; and is continually improving its cyber security posture to safeguard from emerging cyber threats to its business. These momentous cyber risk management efforts are further augmented by embedding global security governance roles in the centralised Group CIO function, and by effectively making use of innovative and new-age technology solutions to proactively detect and prevent sophisticated cyber threats.

Core to Risk Evaluation and mitigation process is corporate social responsibility, the commitment to

the company's code of conduct covering ethics, anti-bribery policies and newly added climate change impact analysis.

#### INTERNAL CONTROL SYSTEMS

The company has an adequate system of internal control commensurate with 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 in adherence to Accounting Standards.
- b) Compliance with applicable statutes, corporate policies and procedures.
- c) Effective usage of resources and safeguarding of assets and ensuring their authorized use.

The Company has a well-established internal audit system built on the annual risk-based Internal Audit plan as approved by the Audit Committee of the Board. The Internal Audit function collaborates with independent internal auditors to periodically review compliance with respect to the established design of internal control and also assess the effectiveness as well as the efficiency of operations. The significant audit findings are reviewed at regular intervals by the Audit Committee of the Board of Directors, comprising independent directors. 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 effect 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.

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



## HUMAN RESOURCES

It is said that employees are the best brand ambassadors of an organization. At MSWIL, our employees are our flag bearers and have helped us evolve into a successful organization and a key player in the automotive industry today.

It is through the strong support of our team; we could ensure seamless and smooth formation of MSWIL wherein we ensured separation of human resources and physical assets, yet the business was running normal.

It is our employees who have always gone an extra mile, worked an extra hour, to win us accolades from customers. It comes as no surprise as to that we place so much value in our people and unfailingly incorporate all aspects of employee experiences within our purview.

We acknowledge and continuously upgrade individuals skills and competencies of our people, as consequence, we have emerged a stronger and better organization. We operate in healthy atmosphere strictly adhering to business ethics principle and human rights standards. We welcome all people and embrace the diversity of thought, experiences, values, skills, and perspectives that everyone brings. Here, everyone's voice is heard and valued. Our diversity is our strength

### Employee Well-being

People, Safety, and well-being are what matters most to us.

Last year we faced unprecedented circumstances due to the 2nd wave of COVID-19 pandemic. With the culture of adaptability, resilience, and ingenuity, we have responded effectively to the challenges of the pandemic. To instil confidence in our workforce we were standing by them and their families and supported them for medical exigencies like providing medicines, oxygen concentrators and even ties up with hospital for availability of beds. As a result, our employees were motivated to fearlessly work with confidence. We strongly believe for safety for all our employees and have accordingly we made tie up with the hospitals and ensured all employees across all facilities are getting vaccinated.

We continually strive to make a positive impact on the lives of our employees by evolving our practices to align with the changing circumstances and realities we face in the locations and communities where we operate.

Mental health and Well-being is most talked about topic. Through campaigns and communication drives

we constantly raise awareness about mental health and Well-being to align our members about positive thoughts and team spirit and to eliminate negativity while working under pressures or when dealing in groups.

### Learning and Development

We're able to win the heart of our customers because we are powered by passionate people. The strength of our offerings and delivery is built on the learning and perspectives of more than 40,000 diverse employees who work every day to make a difference.

We owe everything to the people who make MSWIL what it is—so it's our responsibility to ensure growth and care for them when they are growing and taking care for our business.

Employees at all levels are enrolled in skill-development programs from time to time. 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.

We provide training and recognition programs to help our staff enhance their skills, reap the rewards of their efforts, and eventually build careers that support their goals.

As part of our commitment to training, dedicated MITR centres are there in all our units ensuring skill development of our people at shopfloor. A variety of soft skills, functional and manufacturing-related training sessions are planned for our white-collar employees throughout the year. This ensures an all-round development initiative for our employees.

Regular training is conducted for all employees related to Code of Conduct and the prevention of harassment and discrimination. MSWIL strives to provide an environment in which all employees feel valued. Employees are involved in many activities designed to enhance skill, team-work and problem-solving. As employees get promoted and rise in rank, we ensure that they undergo relevant training for them to strike a balance between People Management and Task Orientation. The modules are so knitted as to accommodate the broader roles the employee is to play based on the office they hold.

### Opportunity to grow

The organisation 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 organisation. The reorganisation has opened new opportunities for employees working in wiring harness division. All the key positions both in the Company and SAMIL (Wiring Harness) have been filled in from people within the System.

### Employee Engagement

At MSWIL, we believe that despite having the best strategy and the best infrastructure in the world, an organization cannot progress until it has the hearts and minds of its people. Effective employee engagement brings us closer to our workforce and is an important investment we have made to future proof organization's productivity and performance.

Employee engagement is most effective when it is in line with the vision, mission, and values of the organization. The practice of quality circle connects people, processes, and products to deliver noteworthy results. Further, we also have the concept of kaizens and innovation awards wherein employees nominate their productivity-enabling improvements for earning recognition at a company-wide pedestal. Such practices impart self-development opportunities to our employees who get to present innovative project ideas and take on bigger responsibilities.

Great employee experience depends on two-way communications. At MSWIL, we are open to ideas and constantly implement the suggestions and improvements put forward by our employees. We have launched down the scheme of '1 suggestion per month per employee' under which employees and associates proactively come up with suggestions on productivity improvements, profitability, process improvement, product improvement, safety improvement, efficiency improvement and waste reduction. We also have work samitis and suggestion, safety, transport, and canteen committees in place to allow employees to be vocal about their suggestions and concerns and assist in critical decision making.

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 since 1999. This is a great way to develop a solution-oriented approach in our employees and teach them different problem-solving techniques.

Currently, there are 412 Quality Circles actively operating within MSWIL. 1300+ quality projects have been completed by Quality Circles of the organization.

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 are committed to operate in an ethical, responsible, and sustainable way. We comply with the laws and rules of the societies in which we operate. Our everyday work is guided by the Code of Conduct and other company policies, operating guidelines which support our culture. We believe in open dialogue to discuss and resolve our issues and concerns, while offering other venues, such as "We Listen" programs which empower employees to raise their voice anonymously or confidentially against actions or behaviours that are against our values or Code of Conduct.

In a nutshell, MSWIL is committed to provide safe conducive and favourable work environment to all employees to allow them to flourish and prosper as they grow with the growth of the organization.

## OPPORTUNITIES AND FUTURE PROSPECTS

The demerger of Domestic Wiring harness business into MSWIL brings platform to offer solutions to OEMs in India, with technical support from Sumitomo Wiring Systems Limited, Japan. The Indian Automotive Industry is adopting itself and developing new models in terms of safety, environment friendly and following global standards. With the support from both JV partners and customer's confidence earned with consistent performance on QCDDMSE, MSWIL is well positioned to convert changing trends into an opportunity.

The automobile sector in India gradually moving towards manufacturing of electric vehicles which is a favourable opportunity for the Company and Infrastructure as well as capacities are being enhanced according to the customer orders.

### Calculation of Key Indicators (Ratio Analysis)

EBITDA	Profit before exceptional items + Finance costs + Depreciation expense
PBT	Profit before exceptional items
Trade Receivable Turnover (days)	[Average trade receivables / (Gross credit sales - Sales return)] x total number of days (270 for the period ended March 2021 and 360 for the year ended March 2022)
Inventory Turnover (days)	[Average inventory / Cost of goods sold] x total number of days (270 for the period ended March 2021 and 360 for the year ended March 2022)
Trade Receivable Turnover (in times)	[(Gross credit sales - Sales return) / Average trade receivables]
Inventory turnover (in times)	[Cost of goods sold / Average inventory]
Interest Coverage Ratio	[(Profit before tax + Finance costs + Depreciation expense + Exceptional items (income)/ expense) / (Interest on borrowings and lease liabilities)]
Current Ratio	[Current assets / Current liabilities]
Debt Equity Ratio	[Total Debt (Long term borrowing including current maturities + short term borrowing + Lease liabilities) / Net worth (Equity attributable to owners of the Company)]
Operating Profit Margin	[(Profit before tax + Finance costs + Exceptional items (income)/ expense - Interest income) / Revenue from contract with customers] x 100
Net Profit Margin	[Net Profit / (Total sales - Sales return)]
Net Debt to EBITDA	Net Debt (Total Debt - Cash and cash equivalents) / EBITDA

## BUSINESS RESPONSIBILITY SUSTAINABILITY REPORTING

Please note Domestic Wiring Harness (DWH) business of Samvardhana Motherson International Limited ("SAMIL") (formerly known as Motherson Sumi Systems Limited) has been demerged into a new company Motherson Sumi Wiring India Limited (MSWIL) with the appointed date of April 01, 2021. Since this is the first year of business operation of the Company, previous years' data are not applicable.

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>	L29306MH2020PLC341326
<b>2. Name of the Listed Entity</b>	Motherson Sumi Wiring India Limited
<b>3. Year of incorporation</b>	2020 (date of Incorporation - July 02, 2020)
<b>4. Registered office address</b>	Unit - 705, C Wing, ONE BKC, G Block Bandra Kurla Complex, Bandra East Mumbai - 400051, Maharashtra (India)
<b>5. Corporate address</b>	C-14 A&B, Sector 1, Noida 201301, Uttar Pradesh (India)
<b>6. E-mail</b>	<a href="mailto:investorrelations@mswil.motherson.com">investorrelations@mswil.motherson.com</a>
<b>7. Telephone</b>	+91-120-6679500
<b>8. Website</b>	<a href="http://www.mswil.motherson.com">www.mswil.motherson.com</a>
<b>9. Financial year for which reporting is being done</b>	Financial Year 2021-22 (April 01, 2021 to March 31, 2022)
<b>10. Name of the Stock Exchange(s) where shares are listed</b>	The Company got listed on following Stock Exchanges w.e.f. March 28, 2022 a. BSE Limited (BSE) b. National Stock Exchange of India Limited (NSE)
<b>11. Paid-up Capital</b>	INR 3,158 million

#### 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report -

<p>Mr. Barrie Painter Phone: +91-120-6679500 Email: <a href="mailto:sustainability@mswil.motherson.com">sustainability@mswil.motherson.com</a></p> <p>Mr. Barrie Painter is an Executive Vice President - General Management employed in wholly owned subsidiary of Samvardhana Motherson Automotive Systems Group B.V., Netherlands ("SMRP BV"). SMRP BV is a wholly owned subsidiary of Samvardhana Motherson International Limited. Mr. Painter is heading all sustainability and ESG development goals of Motherson Group.</p>	<p>Mr. Anurag Gahlot Chief Operating Officer Phone: +91-120-6752100 Email: <a href="mailto:sustainability@mswil.motherson.com">sustainability@mswil.motherson.com</a></p>
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**13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) -**

The Company has no investment in any subsidiary, associate and joint venture, hence disclosures are given on Standalone basis for Motherson Sumi Wiring India Limited

**II. Products/services**

**14. Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Wiring Harness & its Components	The Company is in manufacturing of Wiring Harness & its Components majorly sold to Original Equipment Manufacturers (OEMs).	100%

**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	Wiring Harness & its Components	29304	100%

**III. Operations**

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

Locations	Number of plants*	Number of Offices	Total
National	23	4	27
International	-	-	-

\*Facilities include all operational unit (manufacturing plant, module centers, assembly centers, unit for service businesses), tech centers and representative officers.

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

**a. Number of locations**

Locations	Numbers of customer locations	Number of company Location
<b>National (No. of states)</b>	16 States and 3 Union Territories	9 States
<b>International (No. of Countries)</b>	The Company is focused on domestic business and exports are negligible	-

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

The Company is focused on domestic business and exports are negligible.

**c. A brief on types of customers**

The Company is into the manufacturing of wiring harness & its components. The sale is on Business to Business (B2B) model majorly to Original Equipment Manufacturers (OEMs)

**IV. Employees**

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

The company does not categorise any of the employees as workers and refers employees working in production and related areas as Associates

**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)	2,853	2,361	82.75%	492	17.25%
2	Other than Permanent (E)	18	8	42.44%	10	55.56%
3	<b>Total employees (D + E)</b>	<b>2,871</b>	<b>2,369</b>	<b>82.5%</b>	<b>502</b>	<b>17.49%</b>
<b>ASSOCIATES (WORKERS)</b>						
4	Permanent (F)	1,285	816	63.50%	469	36.50%
5	Other than Permanent (G)	41,754	22,677	54.31%	19,077	45.69%
6	<b>Total employees (F + G)</b>	<b>43,039</b>	<b>23,493</b>	<b>54.59%</b>	<b>19546</b>	<b>45.41%</b>

Note: All the manpower of the Company is categorised as "Employees" and "Associates".

**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)	7	4	57%	3	43%
2	Other than Permanent (E)	0	0	0	0	0
3	<b>Total employees (D + E)</b>	<b>7</b>	<b>4</b>	<b>57%</b>	<b>3</b>	<b>43%</b>
<b>DIFFERENTLY ABLED ASSOCIATES (WORKERS)</b>						
4	Permanent (F)	8	5	63%	3	37%
5	Other than Permanent (G)	6	2	33%	4	67%
6	<b>Total employees (F + G)</b>	<b>14</b>	<b>7</b>	<b>50%</b>	<b>7</b>	<b>50%</b>

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

Particulars	Total (A)	No. and percentage of Females	
		No (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel	3	1	33%

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

	FY 2021-22		
	Male	Female	Total
Permanent Employees	11.7%	18%	12.8%
Permanent Associates	10.1%	8.9%	9.7%

**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)
Nil, the Company is a public limited company being 33.43% shares held by Samvardhana Motherhood International Limited ("SAMIL") (formerly known as Motherhood Sumi Systems Limited) and 25.10% by Sumitomo Wiring Systems Limited, Japan. The Company has no holding / subsidiary / associate companies/ joint ventures as on March 31, 2022.				

**VI. CSR Details**

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) –**

No

**(ii) Turnover (in INR) –** INR 55,872 million for FY 2021-22

**(iii) Net worth (in INR) –** INR 11,146 million for FY 2021-22

**VII. Transparency and Disclosure Compliance**

**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)*	FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	NA
Investors (other than shareholders)	Yes	-	-	NA
Shareholders	Yes	-	-	NA
Employees and workers	Yes	-	-	NA
Customers	Yes	-	-	NA
Value Chain Partners	Yes	-	-	NA
Others	NA	-	-	NA

\* The policies guiding the Company's conduct with all its stakeholders, including grievance mechanisms are placed on the Company's website:

<https://www.mswil.motherhood.com/performance/investors/policies>

**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 generation from operations	O	Environmental and commercial gain.		Optimization of wastages present an opportunity for cost savings. Positive impact.
2	Climate and environmental Changes	R	Global warming and its impact on industry and society	Actions to align with TCFD Framework	Negative impact.
3	Energy	O & R	O: commercial gain from optimised consumption. O: Environmental impact by adopting renewable sources. R: Increasing energy costs. R: Economic feasibility of alternate sources.	* Efficient energy management. * Exploring cost effective investment models for renewable sources.	* Optimisation of energy consumption shall help in reduction of emissions and cost savings. * Increasing energy costs and adaptation of alternate sources may lead to increase in operational costs. Positive impact.
4	Emission Management	R	Insufficient control on all sources of emission (Scope-3)	* Focus on reduction of Scope-1 and Scope-2 emissions. * Positive Engagement with supply chain partners for Scope-3 emissions.	Customers and other stake holders may not view the situation favourably in case of not being able to manage the challenges. Positive impact.
5	Circular economy	O	Environmental and commercial gain.		Adaptation of circular economy and optimisation of resource consumption shall help in reducing costs. Positive impact.
6	Materials	O & R	O: Optimisation of consumption R: Continued availability and environmental impact	Technological developments by JV partner, customers, supply chain partners and self initiatives find sustainable alternates.	Optimised consumption shall have positive impact where as alternate solutions may be more expensive.
7	Employee Safety	O	Opportunity for level up by adopting learnings from global group operations.		Neutral Financial Impact

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 Social Responsibility	R	Transparency on adherence to MSWIL principles and policies.	Effective communication and monitoring	Negative impact.
9	Community Engagement	O	Recruitment catchment areas and talent pool attraction.		Positive Impact
10	Women Empowerment and employee engagement	O	Motivated, committed and Engaged work force; large number of female colleagues employed		Positive Impact
11	Financial Performance	O	Generate resources for growth and expansion		Positive Impact
12	Risk Management (Regulatory/ Policy Risk or Natural Disaster management)	R&O	Assured business continuity (during the time of Policy change which impact operations, Business Continuity during disaster/act of god)		Positive Impact
13	Products and Innovation	O	Penetration in new businesses and segments		Positive Impact
14	Changes in Vehicle Technologies	R & O	R: Loss of business O: Enhanced competitiveness through proactive alignment	Dynamic Technological road map in line with evolving vehicle technologies.	Positive Impact
15	Create favourable and healthy working environment	R	Significant number of female and male employees working together in factories	* Sexual Harassment committee and Whistle blower policies in place. * Proactive interaction with female employees by designated management members to keep a tab on the pulse. * Protect human rights to remediate adverse human rights impacts	Negative impact.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	https://www.mswil.motherson.com /performance/investors/policies								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Truetea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001 and ISO 45001								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Carbon Net Zero across our current 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.									
<b>Governance, leadership and oversight</b>										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements ( <i>listed entity has flexibility regarding the placement of this disclosure</i> )	Please refer Page No. 27 of the Annual Report.								
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 Sustainability Committee to drive the sustainability goals of the Company. Mr. Barrie Painter is highest authority responsible for implementation and oversight of Business Responsibility policy(ies) for the Company under the supervision and direction of 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, the Sustainability Committee of the Board consisting of 3 directors including one Independent director.																
		<b>Name of the Director</b>	<b>Designation in Committee</b>	<b>Status</b>														
		Mr. Laksh Vaaman Sehgal	Chairman	Non Executive Non Independent														
		Mr. Norikatsu Ishida	Member	Non Executive Non Independent														
		Mr. Rajesh Kumar Seth	Member	Non Executive Independent														
		Mr. Anurag Gahlot	Member	Executive Non Independent														

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Review of NGRBC principles will be conducted by the Sustainability Committee of the company at appropriate times								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	We comply with all applicable laws of the land we operate in.																	

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.	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
		No, Company will carry out independent assessment / evaluation of the working of its policies								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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

Segment	Total number of training and awareness programmes held	Topics / Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	<ul style="list-style-type: none"> <li>Listed Entities – post re structuring</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>	60% (which covers 100% independent directors and whole time director) 100% of the board members have been given awareness about, their role under Board Charter and under charters of committees in the company and policies of the company
Key Managerial Personnel	1	Policy Training and Affirmation on an annual basis	100%
Employees other than BoD and KMPs	7	The Company Code of Conduct provides the broad foundation of ethical and behavioral expectations for all employees of Company. To complement the Code, Company has a suite of policies related to ethics, transparency and accountability which include whistleblower, related party transaction, prevention of harassment, data protection, competition and anti-trust, anti-bribery/ gifts/ meal/ entertainment, human rights, equality opportunity. This suite of policy 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 Company including multi-tiered leadership training, from function specific leadership to operational frontline leadership to comprehensive multifaceted leadership development programs and external tertiary study; Group DNA, values and behaviour trainings; soft- and hard-skills trainings which are offered both internally and externally.	92%
Associates	7		90%

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

None

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

None

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. The Company has guidelines on anti-bribery and anti-corruption. Company has “ZERO TOLERANCE” to any form of bribery and corruption and is committed to ensure that the Company’s employees and contractors working on their behalf do not abet to offer, offer or promise any form of bribery or corruption or act in contravention of any Anti-Bribery and Anti-Corruption Laws. Company believes that in addition to being a legal requirement, any instance of bribery or corruption is morally unacceptable. The Company is committed to upholding the highest moral and ethical standards. The Policy is available at: <https://www.mswil.motherson.com/performance/investors/policies>

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

There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against directors / KMP / employees / workers to our knowledge.

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

None

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 awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Total: 15 [Business Principles (8), Environment Principles (3), Human Rights and Workplace Practices (4)]	87%

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. The company has code of conduct of directors which clearly states that every director representing the company shall endeavour to avoid conflict of interest and is expected to act in the best interest of the company.

### 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.**

(INR in million)

	FY 2021-22 (INR in million)	Details of improvements in environmental and social impacts
R&D	35%	The Company’s R&D expenditure supports the OEMs for introducing vehicles with less emission (e.g. Bharat VI etc.). The Company has spent significant effort to develop wiring harness for electric vehicle. Capex has been incurred towards adding capacities for manufacturing of wiring harness for electric vehicles.
Capex	4% of total capex of the Company	

Wiring harness related R&D activities are performed centrally by Samvardhana Motherson International Limited (“SAMIL”) (formerly known as Motherson Sumi Systems Limited) for India region. The Company has reimbursed its share of expenses to SAMIL.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. <https://www.mswil.motherson.com/performance/investors/policies>

The Company sources large portion of its raw materials and components from SAMIL which is being monitored for sustainability commitment. In addition Company is also sourcing from global suppliers including Sumitomo Wiring Systems Limited who is also following sustainability standards.

- b. If yes, what percentage of inputs were sourced sustainably?**

While this is not being tracked historically significant sourcing is from suppliers following sustainability standards.

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.**

The products supplied by MSWIL get assembled into higher level assemblies or the vehicles. Therefore, the end of life disposal, recycling and reuse of the products lies outside MSWIL preview.

MSWIL manufacturing locations are ISO 14001 certified (EMS). Our products are compliant to clean regulations like ELV, RoHS, REACH etc. Auxiliary material used in packaging and e-waste are appropriately managed with third parties per applicable regulations.

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.**

EPR is not applicable to the Company

#### 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?**

A major portion of company’s products are built to print products where the product design including material selection and end of life specifications are finalised by the customers. Therefore, as of now there is no opportunity for the company to conduct any meaningful LCA. However, to remain future ready, the

company has started building necessary capabilities for conducting such analysis in days to come. Further while no LCA assessment has been done with company the knowledge and methodology will be applied to company from the LCA done by SAMIL as well as support from Sumitomo Wiring Systems Limited for the same.

NIC Code	Name of Product/ service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted (Yes/No)	Whether Conducted by independent external agency	Results Communicated in public domain (Yes/No) If yes, provide the web-link.
N/A					

**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.**

None in Financial Year 2021-22

Name of Product / Service	Description of the risk / concern	Action taken
N/A		

**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).**

The child parts procured by the company are governed by customer specifications / industry standards. Usage of recycled materials is normally not permitted by these specifications. Most of these parts are standard catalogue parts of third-party suppliers and therefore MSWIL has very limited influence on material usage.

Indicate input material	Recycled or re-used input material to total material		
	FY 2021-22		
N/A			

**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:**

Due to nature and application of it's products, the company is not engaged in end of life production reclaim activities.

	FY 2021-22		
	Re-used	Recycled	Safe disposed
Plastics (including packaging)	N/A		
E-waste			
Hazardous waste			
Other waste			

**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
N/A	

**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										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Nos. (B)	% (B/A)	Nos. (C)	% (C/A)	Nos. (D)	% (D/A)	Nos. (E)	% (E/A)	Nos. (F)	% (F/A)
<b>Permanent employees</b>											
Male	2,361	2,361	100%	2,361	100%	-	-	-	-	-	-
Female	492	492	100%	492	100%	492	100%	-	-	-	-
<b>Total</b>	<b>2,853</b>	<b>2,853</b>	<b>100%</b>	<b>2,853</b>	<b>100%</b>	<b>1,285</b>	<b>100%</b>	-	-	-	-
<b>Other than permanent employees</b>											
Male	8	8	100%	8	100%	-	-	-	-	-	-
Female	10	10	100%	10	100%	-	-	-	-	-	-
<b>Total</b>	<b>18</b>	<b>18</b>	<b>100%</b>	<b>18</b>	<b>100%</b>	-	-	-	-	-	-

The Company has day care facility for permanent employees however due to COVID-19, the same is closed in FY 2021-22

**b. Details of measures for the well-being of Associates:**

Category	% of Associates covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Nos. (B)	% (B/A)	Nos. (C)	% (C/A)	Nos. (D)	% (D/A)	Nos. (E)	% (E/A)	Nos. (F)	% (F/A)
<b>Permanent associates</b>											
Male	816	816	100%	816	100%	-	-	-	-	-	-
Female	469	469	100%	469	100%	469	100%	-	-	-	-
<b>Total</b>	<b>1,285</b>	<b>1,285</b>	<b>100%</b>	<b>1,285</b>	<b>100%</b>	-	-	-	-	-	-
<b>Other than permanent associates</b>											
Male	22,677	19,575	86%	7900	35%	-	-	-	-	-	-
Female	19,077	16,467	86%	7410	39%	16,467	86%	-	-	-	-
<b>Total</b>	<b>41,754</b>	<b>36,042</b>	<b>86%</b>	<b>15310</b>	<b>37%</b>	-	-	-	-	-	-

The Company contributes towards Employee State Insurance scheme for Associates where the Associates get health benefit under government scheme.



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

Benefits	FY 2021-22		
	No. of employees covered as a % of total employees	No. of associates covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes
Gratuity	100%	100%	Yes
ESI	100%	100%	Yes
Others	N/A	N/A	N/A

All the compliances are ensured by the corporation. Also, the data presented here for gratuity is for permanent workforce only. In case of ESI all the applicable employees are covered as per laid down regulations.

**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.**

Yes. Various offices, including the registered and corporate offices have lifts for easy movement of differently abled people. Most offices are either on the ground floor or have elevators and infrastructure for differently abled individuals 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 Company is available at [www.mswil.motherson.com](http://www.mswil.motherson.com). Clause 3.7 of Code of Conduct provided that "Equal Employment Opportunity: The Company provides equal opportunity and inclusion for all those associated with it, through its policies and practices. A mix of backgrounds, opinions, and talents enriches the organisation and helps in the achievement of success. Company rejoices importance of diversity in workplaces. Company recognizes the importance of maintaining and promoting fundamental human rights in all operations and provides and promotes the grant of fair and equitable wages, benefits, and other conditions of employment. Everyone is valued and respected for their unique contributions in the group. Company understands and respects the different roles that each person representing it plays in the success and growth of its business. Company is confident in the skills each person offers and is very optimistic about the way in which it contributes to the overall growth of the entity. Through persistence and goal-directed activities, Company focuses on not only the obstacles in the way, but also on the clear pictures of future accomplishments. Company expects its team leaders to recognize the power of their behaviour and ensure that team members respect each other and are encouraged to contribute. The principles of mutual trust, teamwork and spirit are core values that the Company abides by and strives to maintain."

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

Gender	Permanent employees		Permanent associates	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	6	100%	7	100%
Total	6	100%	7	100%

**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 Associates	Yes
Other than Permanent Associates	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

\* please refer policies at: <https://www.mswil.motherson.com/performance/investors/policies>

The organization has always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management. The Company follows an open door policy, wherein any employee irrespective of hierarchy has access to the senior management. In addition, the Whistle-blower Initiative provides a formal platform to share grievances on various matters.

New recruits are also sensitised on the whistle blower mechanism and forms part of the employee induction programme. The Company has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company's policy on the same is placed on its website. Members of the Company's Internal Complaints Committee (ICC) are responsible for conducting inquiries pertaining to such complaints. Our Organization on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through online training modules and awareness programmes which are held on a regular basis.

Apart from these We have "we-listen" platform wherein employees and associates are encouraged to express their concern freely and in complete confidentiality.

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

Category	FY 2021-22		
	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)
<b>Total Permanent Employees</b>	<b>2853</b>	-	<b>0%</b>
- Male	2,361	-	0%
- Female	492	-	0%
<b>Total Permanent Associates</b>	<b>1,285</b>	-	<b>0%</b>
- Male	816	-	0%
- Female	469	-	0%

We recognize the right to freedom of association and provide freedom to our employees to assemble, form teams, appoint representatives and be the member of work councils. These work councils promote measures for securing and preserving amity and good relation between the employers and associates, to discuss upon matter of common interest. Through this platform the employees and associates participate in decision making and share suggestions/feedback to improve work culture and environment. The company does not have any employee union.

**8. Details of training given to employees and workers:**

Category	FY 2021-22				
	Total	On Health and safety measures		On Skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>					
Male	2,369	1,776	75%	1,540	65%
Female	502	407	81%	356	71%
<b>Total</b>	<b>2,871</b>	<b>2,183</b>	<b>76%</b>	<b>1,896</b>	<b>66%</b>
<b>Associates</b>					
Male	23,493	22,318	95%	23,493	100%
Female	19,546	18,959	97%	19,546	100%
<b>Total</b>	<b>43,039</b>	<b>41,277</b>	<b>96%</b>	<b>43,039</b>	<b>100%</b>

Above includes training given to employees who have joined and left during the year. Some of the training programmes offered under health and safety and skill upgradation are mandatory. Hence, all employees have been considered under such training programmes.

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

Category	FY 2021-22		
	Total (A)	No. (B)	% (B/A)
<b>Employees</b>			
Male	2,361	2,361	100%
Female	492	492	100%
<b>Total</b>	<b>2,853</b>	<b>2,853</b>	<b>100%</b>
<b>Associates</b>			
Male	816	816	100%
Female	469	469	100%
<b>Total</b>	<b>1,285</b>	<b>1,285</b>	<b>100%</b>

The performance management system aims to promote a fair and transparent system of appraisal, which ensures a method of evaluating each employee's performance and potential, while recognizing their accomplishments.

The performance appraisal system has been designed to achieve the following objectives:

- Review the previous year's performance with specific reference to achievement of targets and give constructive feedback on performance.
- Provide an opportunity for communication and interaction between the appraiser and appraisee regarding the previous year's performance and setting of performance targets for the next appraisal period; and
- Ability to provide developmental needs for performance improvement or skill upgradation.

**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 such system?**

Yes. The Company is certified with ISO 14001 and ISO 45001.

The Company has a policy on health and safety for its employees. Periodic internal communication and awareness sessions are conducted on safety related aspects. Employees, on a pan-India basis, are given

periodic training on basic and advanced fire safety, including evacuation drills. The Company has organised various workshops focusing on Mental wellbeing and covered majority of employees on same.

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

Our operations are largely assembly and doesn't have work related hazards. Whenever new process/equipment are there, we follow the proactive approach to safety which is centred on working in a manner that eliminates the occurrences of any safety irregularities to the maximum-possible extent.

We aim at preventing the safety anomaly from happening in the very first place. The approach involves performing regular audits, mock-drills and safety training and safety promotional activities from time to time. We issue the necessary work permit systems to external contractors who come to work within our company premises. We identify hazards and access risks on a routine basis through Monthly/Quarterly audits, Hazard Identification and Risk Assessment (HIRA) reviewing, conducting regular safety meeting, Conducting Aspect/Impact activity.

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

Yes. Company operations are largely assembly lines which do not pose hazards. We have "Near miss capturing system", participation of employees in safety committee\ canteen committee\ transport committee\ work samiti meetings and suggestion scheme to report and remove the work related hazards.

The Company has taken necessary measures to ensure employee safety in response to the pandemic. Vaccination camps have been organized for our employees to ensure Safety Always First Every time.

We perform timely risk assessments in order to identify the gap that exists in the processes when compared with the laid-down standards. Post this, we deploy the corrective plan horizontally across all our processes. Training is another important step in this measure. Specifically, when it comes to associates, we begin training them on the safety features and safe working procedures of all machines on the very day they join us at our training centre. Safety training is thus an integral part of the induction training we impart to our machine operators. We also monitor the employees from time to time to ensure that all counter measures are deployed all across. Ultimately, through Engineering Controls, we make our machines 100% safe for operations. Safety of people is top priority for the Company.

**d. Do the employees/ worker of the entity have access to non-occupational medicaland healthcare services? (Yes/ No)**

Yes. The Company has tie up with nearby hospitals and empanelled them.

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

Safety Incident/ Number	Category	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil
	Associates	0.362
Total recordable work-related injuries	Employees	Nil
	Associates	13
No. of fatalities	Employees	Nil
	Associates	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil
	Associates	Nil

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

As a risk mitigation practise,

- During our monthly/quarterly audits, we identify work-related hazards and access risks.
- HIRA is reviewed regularly by our team.
- We conduct a thermal imaging of all electrical equipment and panels using a thermal camera on a monthly basis
- All machines are risk-assessed and have safety stickers attached.
- To mitigate the risk, all machines are equipped with safety devices.

To build safety culture in the organization all employees undergo regular safety-related training. The Company has work permit system for any hot, height, digging and excavation work. We conduct weekly safety committee meeting. The ERT (emergency response team) team is available to handle any emergency.

In light of pandemic, from the onset of the breakout, response and task teams were formed. our leaders and teams mobilized to develop and implement the necessary safety measures to best protect our people; support our customer's line while compiling to country and governmental guidelines strictly.

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

	FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% by self assessment by entity
Working Conditions	100% by self assessment by entity

**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 Company has safety cover and safety sensors on all machines. Safety covers of Cutting and Crimping (C&C) machines are modified to eliminate the chance of any risk from the machines. LOTO (Lock out tag out) system are used to de-energised of all machines and electrical panels before the maintenance / repair work. We conduct thermal imaging of 100% machines and electrical panels to control the fire hard.

**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. The Company extends the life insurance or similar compensatory package through Statutory & Non statutory social security measures in case of Employees & Workers both; statutory measures thru Employee State Insurance Act, Employee Compensation Act, Employee Deposit Linked Insurance under EPF and non-statutory measure like Group Personal Accident Policy & Mediclaim.

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

The Company has process to verify proof of deposit of statutory dues (such as GST, PF, ESI etc.) deposited by value chain partners and payment to the suppliers are made to the same accordingly

**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 are 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 2021-22	FY 2021-22
Employees	Nil	Nil
Workers	Nil	Nil

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

Yes. In order to facilitate retired employees, organization do provide an opportunity to work as an consultant / Advisor, after retirement for the better transition and continue to earn after retirement. Besides this, we have provided various training platforms / apps to all the employees to learn and enhance their technical know-how, so that they can use their knowledge to remain employable after their retirement.

**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	67%
Working Conditions	67%

**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. - Nil**

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The parent company is involved into materiality analysis involving the response of key stakeholders of the group. We strive to create value for all our stakeholders and engage with them with continuous basis. Our key stakeholder groups include:

- Shareholders
- Customers
- Employees
- Society
- Suppliers / Partners

**2. 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	Frequency of Engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Company's website, Press releases and Investor conferences, information to SEBI and exchanges, conference calls	Maximum at quarterly interval	Quarterly financial performance of the Company
Customers	No	Continuous monitoring of shipments & production processes to meet customer schedules Customer meetings plant / site audits Sustainability assessments	Frequent and Need basis	Responsible operations and deliveries, Safety, cost, quality and delivery Business continuity and reliability Social and environmental sustainability in value chain,
Employees	No	Whistle blower mechanisms, Responsive Communication platform Talent development process	Frequent and Need basis	Grievance mechanisms Safe, fair and conducive work environment Career development and growth opportunities
Society	No	BRSR reporting	Annual, As & When events are planned	Community involvement Education/ trainee programs Career opportunities, employment
Suppliers / Partners	No	Regular supplier meetings Supplier portals Annual Audits	Frequent and Need basis	Growth opportunities and revenue generation Annual cost reduction discussions Environmental and social responsibility in supply chain

**Leadership indicators**

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

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.

**2. 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 interacting 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.

**3. 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**

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

Category	FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)
<b>Employees</b>			
Permanent	2,853	2,641	93%
Other than Permanent	18	18	100%
<b>Total</b>	<b>2,871</b>	<b>2,659</b>	<b>93%</b>
<b>Associates</b>			
Permanent	1,285	1,151	90%
Other than Permanent	41,754	41,754	100%
<b>Total</b>	<b>43,039</b>	<b>42,905</b>	<b>99.6%</b>

The training pertains to Code of conduct covering business ethics and Human rights topics.

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

Category	FY 2021-22				
	Total	Equal to Minimum Wages		More than Minimum Wages	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>					
Permanent	2,853	-	-	2,853	100%
Male	2,361	-	-	2,361	100%
Female	492	-	-	492	100%
<b>Other than Permanent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Male	-	-	-	-	-
Female	-	-	-	-	-

Category	FY 2021-22				
	Total	Equal to Minimum Wages		More than Minimum Wages	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Associates</b>					
Permanent	1,285	-	-	1,285	100%
Male	816	-	-	816	100%
Female	469	-	-	469	100%
<b>Other than Permanent</b>	<b>41,754</b>	<b>41,754</b>	<b>100%</b>	<b>-</b>	<b>-</b>
Male	22,677	22,677	100%	-	-
Female	19,077	19,077	100%	-	-

**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Refer to Annexure B of Board's report			
Key Managerial Personnel				
Employees other than BoD and KMP	2,367	479,994	506	341,868
Associates	23,493	183,495	19,549	171,176

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

We Listen is a company forum by means of which any employee holding any office, position or employment in the organization can send an email to [welisten@mssl.motherson.com](mailto:welisten@mssl.motherson.com) with strict access only to Mr. Anurag Gahlot (COO).

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

Company has adopted HUMAN RIGHTS PRINCIPLES at <https://www.mswil.motherson.com/storage/policies/Human-Rights-Principles-Statement.pdf>. The clause 3.1 of the said principles provides as under: "Company 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 Company addresses human rights issues by building a solid and sustainable approach."

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

Category	FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	1	Inquiry proceeding have been completed. Further steps for closure are in progress
Discrimination at workplace	-	-	-
Child Labour	-	-	-
Forced Labour/ Involuntary Labour	-	-	-
Wages	-	-	-
Other human rights related issues	-	-	-

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

Motherson Group 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. Group sets a standard of 'zero tolerance' for any kind of discrimination at work. Each person representing the Group is responsible for ensuring that all actions or behaviour that are, or could be, viewed as discriminatory are avoided. Group requires all employees of its companies and the persons representing the Group to treat each other with respect and dignity and expects everyone to promote a sense of personal responsibility. All Motherson Persons shall be respectful to their colleagues and all other persons and maintain the highest standards of conduct and encourage a healthy and conducive working environment that is free from any and all sorts of discrimination. 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 fully extent possible. Any retaliation or victimisation of an aggrieved person is strictly prohibited. This group Motherson policy and procedure is complemented by additional local regulatory requirements relating to retaliation and victimisation.

Please refer policies at: <https://www.mswil.motherson.com/performance/investors/policies>

**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. Data is being collected on regular basis for the assessment of Questions at point No 9. The reports include as to each claim, among other information, the current procedural status, an updated assessment of Legal risk, and an updated assessment of the liability-adjusted financial risk. Legal Affairs analyzes such report and, where it deems necessary, engages with local management teams of the units to assess what practices should be reviewed and revised to prevent future similar claims.**

While no specific claim on its own is deemed to be significant, local unit management continually assesses its internal processes. Some modifications that have been implemented by certain units by improving employee training as to their rights and obligations related to employment and analysis of employment contracts to ensure continued compliance with all applicable laws.

**Leadership indicators**

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

As an organization we upheld the basic principles of human rights in all our dealings. This is in alignment with its Human Rights Principle Statement. We regularly sensitize our employees on the Code of Conduct through various training programmes as well.

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

This policy is publicly available throughout the Company and clearly communicated to all employees in a manner in which it can be understood through induction programs, policy manuals and intranet portals.

The responsibility for the implementation of the policy rests with the location HR Department and the security staff who do not permit underage persons to enter the factory as workers. Employment contracts and other records documenting all relevant details of the employees, including age, are maintained at all units and are open to verification by any authorized personnel or relevant statutory body. Compliance with the policy is evident in the transparent system of recruitment, development, and welfare. Proper systems checks and balances are in place to ensure zero errors to points of Human Rights policy.

**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?**

Yes. Various offices, including the registered and corporate offices have ramps/lifts for easy movement of differently abled people. Most offices are either on the ground floor or have elevators and infrastructure for differently abled Visitors.

**4. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual harassment	67%
Discrimination at workplace	67%
Child labour	67%
Forced/involuntary labour	67%
Wages	67%

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

- No such concern noticed

**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:**

<b>Parameter</b>	<b>FY 2021-22</b>
Total electricity consumption (A)	94,184 GJ
Total fuel consumption (B)	9,919 GJ
Energy consumption through other sources (C)	-
<b>Total energy consumption (A+B+C)</b>	<b>104,103 GJ</b>
Energy intensity per rupee of turnover	
(Total energy consumption/ turnover in rupees)	1.85 GJ/ INR million
Energy intensity (optional) – the relevant metric may be selected by the entity	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

**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.**

Not applicable

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

<b>Parameter</b>	<b>FY 2021-22</b>
<b>Water withdrawal by source (in kilolitres)</b>	
(i) Surface water	23,407
(ii) Groundwater	324,722
(iii) Third party water	215,636
(iv) Seawater / desalinated water	-
(v) Others	-
Total volume of water withdrawal	
(in kilolitres) (i + ii + iii + iv + v)	563,765
Total volume of water consumption (in kilolitres)	563,765
Water intensity per rupee of turnover (Water consumed / turnover)	9.53
Water intensity (optional) – the relevant metric may be selected by the entity	NA

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

No. We have our own trained team to carry out the activity whereas to meet legal compliance we do testing of Drinking & Waste water carried out by NABL Accredited Lab.

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. The Company has achieved zero liquid discharge across all the units. The Company optimizes water consumption through conservation, sewage treatment and reuse, and rainwater harvesting.

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

Parameter	Please specify unit	FY 2021-22
NOx	G/KW-HR	2.17
SOx	G/KW-HR	0.28
Particulate matter (PM)	G/KW-HR	0.16
Persistent organic pollutants (POP)	Not applicable	Not applicable
Volatile organic compounds (VOC)	Not applicable	Not applicable
Hazardous air pollutants (HAP)	Not applicable	Not applicable

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

No. We have our own trained team to carry out the activity whereas to meet legal compliance we do testing of Stack carried out by NABL Accredited Lab.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Please specify unit	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	705
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	13,539
Total Scope 1 and Scope 2 emissions per rupee of turnover	KG / INR	0.0003
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable

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

No. We have our own trained team to carry out the activity.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

No such project is undertaken

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

Parameter	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>	
Plastic waste (A)	778
E-waste (B)	5
Bio-medical waste (C)	-
Construction and demolition waste (D)	-
Battery waste (E)	194
Radioactive waste (F)	-
Other Hazardous waste. Please specify, if any. (G)	-

Parameter	FY 2021-22
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,193
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>2,170</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>	
<b>Category of waste</b>	
(i) Recycled	27
(ii) Re-used	0
(iii) Other recovery operations	0
<b>Total</b>	<b>27</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>	
<b>Category of waste</b>	
(i) Incineration	Nil
(ii) Landfilling	Nil
(iii) Other disposal operations	Nil
<b>Total</b>	<b>Nil</b>

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

No, As a legal compliance we sent spent oil in form of Hazardous waste to Authorized recycler. Units don't dispose waste in any of disposal method such as incinerator/Landfilling etc

**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.**

Not applicable as the Company does not generate hazardous and toxic chemicals in process.

**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:**

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.
	Not applicable as the Company does not have operations/offices in/around ecologically sensitive areas		

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

There is no such project which required such impact assessment.

**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. The Company is compliant with the applicable environmental law/ regulations/ guidelines in India.

## 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 2021-22
<b>From renewable sources</b>	
Total electricity consumption (A)	9,936 GJ
Total fuel consumption (B)	-
Energy consumption through other sources (C)	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>9,936 GJ</b>
<b>From non-renewable sources</b>	
Total electricity consumption (D)	84,248 GJ
Total fuel consumption (E)	9,919 GJ
Energy consumption through other sources (F)	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>94,167 GJ</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

### 2. Provide the following details related to water discharged:

Parameter	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>	
(i) To Surface water	-
No treatment	
With treatment – please specify level of treatment	
(ii) To Groundwater	-
No treatment	
With treatment – please specify level of treatment	
(iii) To 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	Discharge water treated from STP
No treatment	
With treatment – please specify level of treatment	1602KLD
<b>Total water discharged (in kilolitres)</b>	

Total STP plant capacity across MSWIL- 1602 KLD

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

### 3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Low levels of water are used in our processes and overall operations for the manufacturing of Wiring Harnesses. MSWIL units are applying Rain Water Harvesting solutions that also percolate rainwater into groundwater to maintain groundwater levels. The Company is in process to establish the process to capture the data at the levels requested.

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

(i) **Name of the area access -**

(ii) **Nature of operations -**

(iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2021-22
<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	
<b>Total water discharged (in kilolitres)</b>	

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No



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

Parameter	Unit	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-
Total Scope 3 emissions per rupee of turnover	-	-
Total Scope 3 emission intensity (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. - No

**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 as the Company does not have operations/offices in/around ecologically sensitive areas.

**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:**

Below are the initiatives:

- Conversion of T5 to LED for energy conservation.
- Almost all MSWIL unit have STP for waste water treatment.
- 9 Units have already operational with Solar system & 7 more units are operational by Aug.22
- In way of Green Energy, 3 Chennai plants are using wind power as energy conservation.
- In continuation to sustainable energy, we are evaluating option for Roof Top Wind Mill.

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

Operation of the Company are spread in different states to maintain business continuity.

**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.**

No such adverse impact noticed.

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

67%

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

**Essential Indicators**

- Number of affiliations with trade and industry chambers/ associations** - 3 affiliations
  - 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	Hinjewadi Industries Association	State
2	Bidadi Industrial Association	State
3	Gurgaon Industrial Association	State

- 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.**

Name of authority	Brief of the case	Corrective action taken
Not applicable as no adverse order received during FY 2021-22 and period ended March 31, 2021		

**Leadership indicators**

- Details of public policy positions advocated by the entity:**

No such policy is advocated by the Company

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
----- No such project has been undertaken -----					

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

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
No such project has been undertaken.						

- Describe the mechanisms to receive and redress grievances of the community.**

All grievances could be submitted at [investorrelations@mswil.motherson.com](mailto:investorrelations@mswil.motherson.com)

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

	FY 2021-22	Period ended March 31, 2021
Directly sourced from MSMEs/ small producers	3%	3%
Sourced directly from within the district and neighbouring districts	The Company sources most of the components from nearby vendors.	

**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):**

Details of negative social impact identified	Corrective action taken
No such impact identified	

**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)
No such project has been undertaken.			

**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?**

Not applicable

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

Not applicable

**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:**

Not applicable as the Company does not own any intellectual property

**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 case of disputes has arisen or pending for FY 2021-22

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

No CSR project in FY 2021-22 as CSR not applicable

**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 to track and respond to customer complaints. The Company receives

numerous customer awards for contribution to their business such as quality excellence, design development, best performance etc. which represents customer satisfactions. Awards are mentioned in details in "Awards and Recognition" of the annual report.

**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	Not applicable, as the Company is in B2B business and the products do not reach end customers directly.
Safe and responsible usage	
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, unfair trade practices**

The Company does not have any consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, unfair trade practices. The complaints in relation to defects relating to sales are not significant in number compared with annual sales volume.

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

There is no product recalled during the FY 2021-22 and for the period ended March 31, 2021.

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. <https://www.mswil.motherson.com/performance/investors/policies>

**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.**

The Company has no cases relating to advertising, and delivery of essential services; cyber security and data privacy of customers.

**Leadership indicators**

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

All information regarding the Company's business can be accessed through the Company's website: [www.mswil.motherson.com](http://www.mswil.motherson.com)

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

Not applicable as the Company sells products mainly to Original Equipment Manufacturers (OEMs)

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

Majority of the customers are OEMs. Information in relation to the production and their delivery schedule are exchanged on day to day basis with Customers.

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

Not applicable as the Company sells products to businesses which is used as raw material for their finished products.

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

**a. Number of instances of data breaches along-with impact:**

No such case of happened during FY 2021-22

**b. Percentage of data breaches involving personally identifiable information of customers**

0%

The company has taken reasonable steps and made best efforts to collect and compile data for publication of BRSR. 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 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.

## BOARD'S REPORT

To the Members,

Your Directors have the pleasure in presenting the **2nd Annual Report** together with the audited financial statements of the Company for the financial year ended March 31, 2022.

### FINANCIAL RESULTS

The summarized financial results for the year ended March 31, 2022 and for previous year ended from July 2, 2020 to March 31, 2021 are as follows. The Figures for the period July 2, 2020 to March 31, 2021 represent the performance of division which was reported by Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) as Discontinued Operations.

₹ in Million

Particulars	For The Year Ended	For The Year Ended
	March 31, 2022	From July 02, 2020 to March 31, 2021
<b>Continuing Operations</b>		
Revenue from contract with customers	55,872	39,186
Other operating revenue	478	191
<b>Revenue from operations</b>	<b>56,350</b>	<b>39,377</b>
Other Income		236
<b>Profit before depreciation, interest and tax</b>	<b>7,603</b>	<b>5,767</b>
Less: Depreciation and amortisation expense	1,055	374
Less: Finance Costs	285	73
Less: Exceptional Expenses	654	-
<b>Profit Before Tax</b>	<b>5,609</b>	<b>5,320</b>
Less: Provision for Tax	1,502	1,358
<b>Profit after tax</b>	<b>4,107</b>	<b>3,962</b>
Add: Balance brought forward	(4)	-
Profit available for appropriation	4,103	3,962
Other Comprehensive income	(58)	14
<b>Total other Comprehensive income</b>	<b>(58)</b>	<b>14</b>

The profit available for appropriation for the year ended March 31, 2022 is INR 4,049 million and being carried over as surplus to the Reserves and surplus as on March 31, 2022.

Your Company was incorporated on July 2, 2020 as a wholly owned subsidiary of Samvardhana Motherson International Limited ("SAMIL") (Formerly known as Motherson Sumi Systems Limited). On implementation of scheme of demerger, shares were allotted in the ratio of 1:1 to SAMIL shareholders. The Company was listed on March 28, 2022.

### DIVIDEND

The Directors are pleased to recommend for approval of the members a payment of dividend of Rs. 0.85 per share (face value of Rs. 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 Rs. 2,684 million resulting in a pay-out of 65% of the profits of the Company.

### OPERATIONS AND PERFORMANCE

For the financial year 2021-22, your Company achieved total revenue of Rs. 56,350 million as compared to the revenue of Rs. 39,377 million of the previous financial period ended from July 02, 2020 to March 31, 2021. Net profit for the financial year is at Rs. 4,107 million as compared to the previous period's net profit of Rs. 3,962 million.

The operational performance of the Company as well as impact of Covid-19 have 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

No securities were issued by the Company during the financial year 2021-22 in respect of which credit rating was required to be obtained by the Company during the said year.

#### 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, neither any 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 nor there has been any default in repayment of deposits or payment of interest thereon during the year under review

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.

#### MATERIAL DEVELOPMENTS DURING THE FINANCIAL YEAR 2021-22

The Board of Directors of your Company at their meeting held on July 17, 2020 had approved the composite Scheme of Amalgamation and Arrangement amongst the Company, Erstwhile Samvardhana Motherhood International Limited and Samvardhana Motherhood International Limited (Formerly known as Motherhood Sumi Systems Limited) and their respective shareholders and creditors (hereinafter referred to as “the Scheme”).

The Scheme, inter-alia, provided for (A) Demerger of the Domestic Wiring Harness Undertaking or DWH Undertaking (as defined under the Scheme) into the Company and (B) merger of the Erstwhile Samvardhana Motherhood International Limited with Samvardhana Motherhood International Limited (Formerly known as Motherhood Sumi Systems Limited), by absorption, subsequent to the completion of the Demerger referred

to in (A). The Scheme was duly sanctioned by the Hon’ble National Company Law Tribunal, Mumbai Bench – IV (“NCLT”) by way of an order dated December 22, 2021 (“Order”) certified copy of which order was issued on December 23, 2021. Pursuant to the Scheme the Domestic Wiring Harness Undertaking or DWH Undertaking of Samvardhana Motherhood International Limited (SAMIL) (Name changed w.e.f May 18, 2022 from Motherhood Sumi Systems Limited ) was Demerged into the Company w.e.f January 5, 2022.

The Equity shares of your Company got listed with BSE Limited and National Stock Exchange of India w.e.f March 28, 2022 resulting in the change of status of the Company from unlisted Company to listed Company. Subsequently, CIN of the Company has been changed from U29306MH2020PLC341326 to L29306MH2020PLC341326.

#### CAPITAL STRUCTURE

Pursuant to the effectiveness of Demerger under the Scheme on January 5, 2022 (being Effective Date 1 as defined under the Scheme), a portion of the authorized share capital of SAMIL, amounting INR 300,00,00,000 (Indian Rupees Three Hundred Crores), comprising of 300,00,00,000 (Three Hundred Crore) Equity Shares of INR 1 (Indian Rupee One) each, stood transferred and be deemed to be added to the authorized share capital of the Company resulting in increasing the authorized share capital of the Company from INR 33,00,00,000 (Indian Rupees Thirty Three crore) to INR 333,00,00,000 (Indian Rupees Three Hundred Thirty Three Crores).

As per the Scheme 315,79,34,237 (Three Hundred Fifteen Crores Seventy Nine Lakhs Thirty Four Thousand Two Hundred and Thirty Seven ) equity shares having face value of INR 1/- each (Indian Rupee One) was allotted by the Company on January 19, 2022, in the ratio of 1 (One) equity share of the Company of face value INR 1/- each (Indian Rupee One) for every 1 (One) equity share of SAMIL of face value INR 1/- each to the shareholders of SAMIL as on January 17, 2022, being the record date fixed by SAMIL. Similarly, original share capital of INR 500,000 contributed by SAMIL was cancelled and the same was credited to Capital reserve.

#### CHANGE IN NATURE OF BUSINESS

DWH Business of SAMIL was demerged to the Company pursuant to Demerger effective from April 1, 2021 (Appointed Date 1 as defined under the Scheme) for the purpose for which the Company was set up.

#### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

There are no companies which have become or ceased to be the Subsidiaries, Joint Ventures or associate companies of the Company during the year 2021-22.

#### EXPORTS FROM INDIA

Your company is mainly into sale of products in India, export from India is very negligible.

#### 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 consecutive meetings was not more than one hundred and twenty (120) days as prescribed by the Companies Act, 2013 and the Listing Regulations.

#### DIRECTORS

In accordance with Listing Regulations, the Board of the Company has been reconstituted effective from January 28, 2022.

The Board of Directors of the Company, in its meeting held on January 28, 2022 appointed Mr. Arjun Puri (DIN: 00211590), Ms. Geeta Mathur (DIN: 02139552), Mr. Rajesh Kumar Seth (DIN: 09477684), Col. (Retd) Virendra Chand Katoch (DIN: 08452183) and Mr. Anupam Mohindroo (DIN: 06544719) as Additional and Independent Directors not liable to retire by rotation, subject to the approval of the shareholders. The Board in its meeting held on the same date, also appointed Mr. Norikatsu Ishida (DIN: 09443998) and Mr. Yoshio Matsushita (DIN: 09480897) as Additional Directors, liable to retire by rotation, subject to the approval of the shareholders. The shareholders of your Company approved the appointment of Mr. Arjun Puri, Ms. Geeta Mathur, Mr. Rajesh Kumar Seth, Col. (Retd) Virendra Chand Katoch and Mr. Anupam Mohindroo as Independent Directors and Mr. Norikatsu Ishida and Mr. Yoshio Matsushita as Directors of the Company at the Extra Ordinary General Meeting (“EGM”) of the Company held on April 22, 2022. The term of Mr. Arjun Puri and Ms. Geeta Mathur is from January 28, 2022 upto March 31, 2024 and term of Mr. Rajesh Kumar Seth, Col. (Retd) Virendra Chand Katoch and Mr. Anupam Mohindroo is from January 28, 2022 till January 27, 2027.

Based on the recommendation of Board of Directors of the Company made in its meeting held on January 28, 2022 and keeping in view of the vast experience of Mr. Anurag Gahlot the members of the Company in its Extra Ordinary

General Meeting held on April 22, 2022 appointed Mr. Anurag Gahlot, as Whole Time Director (WTD) designated as Chief Operating Officer (COO) of the Company for a period of five (5) years with effect from January 28, 2022 to January 27, 2027, liable to retire by rotation.

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, retires by rotation in the ensuing Annual General Meeting (AGM) and being eligible seeks re-appointment. Accordingly, the Board of Directors recommend the re- appointment of Mr. Laksh Vaaman Sehgal to the members of the Company.

Mr. Gautam Mukherjee, Mr. Naveen Ganzu, Mr. Kunal Malani and Mr. Sanjay Mehta ceased to be Directors on the Board of the company from January 28, 2022. The Board placed on record their sincere appreciation for the guidance and support provided by them during their tenure as Directors on the Board of the company.

The details of re-appointment of the Director of the Company is mentioned in Explanatory Statement under section 102 of the Companies Act, 2013 and annexure to the Notice of 2nd AGM 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 Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations and that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 and confirmed that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence and that he/she is independent of the management. 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 and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s). The details of remuneration and/ or other benefits of the Independent Directors are mentioned in the Corporate Governance Report.

## COMPLIANCE WITH CODE OF CONDUCT

All the Directors and senior management personnel, have affirmed and complied with the Code of Conduct formulated by the Company.

## AUDIT COMMITTEE

Your Company has constituted Audit Committee w.e.f. January 28, 2022 in terms of provisions of Companies Act, 2013 and the Listing Regulations with the following composition:

Ms. Geeta Mathur - Chairperson uptill May 12, 2022

Mr. Laksh Vaaman Sehgal - Member

Mr. Arjun Puri - Member

Mr. Anupam Mohindroo - Member

Mr. Rajesh Kumar Seth - Member

Mr. Norikatsu Ishida - Member

Upon resignation of Ms. Geeta Mathur from the post of Chairperson of the Audit Committee of the Company effective from May 12, 2022, Mr. Anupam Mohindroo was nominated as the Chairman of the Audit Committee effective from the same date and Ms. Geeta Mathur continued to be a member of the said Committee. Accordingly the Composition of the Audit Committee of the Company as on the date of this Board Report is as follows:

Mr. Anupam Mohindroo - Chairman

Mr. Laksh Vaaman Sehgal - Member

Mr. Arjun Puri - Member

Ms. Geeta Mathur - Member

Mr. Rajesh Kumar Seth - Member

Mr. Norikatsu Ishida - Member

During the period under review 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 PERSONS

In terms of the provisions of section 203 of the Companies Act, 2013, during the financial year under review the Company has following whole-time Key Managerial Personnel appointed w.e.f January 28, 2022:

1. Mr. Anurag Gahlot, Whole-time Director and Chief Operating Officer
2. Mr. Gaya Nand Gauba, Chief Financial Officer
3. Ms. Pooja Mehra, Company Secretary

## MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THIS REPORT

There were no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## BOARD EVALUATION

In terms of the requirement of the Companies Act, 2013 and Listing Regulations, the Board will carry out an annual evaluation of its own performance, Board committees, individual Directors including the Independent Directors and the Chairman of the Company on the basis of the criteria specified as per the Policy for performance evaluation adopted by the Board of Directors of your Company effective from January 28, 2022.

## 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.mswil.motherson.com](http://www.mswil.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 first Annual General Meeting approved the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) as the Statutory Auditor of the Company for a term of five years starting from conclusion of the first Annual General Meeting until the conclusion of sixth Annual General Meeting of the Shareholders of the Company.

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 year Financial Year 2021-22, the Auditors had 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.

## 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

During the year under review, there were no Loans or Investments made, Guarantee given and Security provided by the Company under Section 186 of the Companies Act, 2013 and accordingly, the financial statements of the

Company does not disclose the aforesaid particulars in the notes to the financial statement.

#### **PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

Board of Directors had approved various related party transactions, emanating from the Scheme on Demerger of Domestic Wiring Harness (DWH) Undertaking/Business from SAMIL into the company becoming effective.

DWH Business was carried on as a part of its business by SAMIL till the Demerger became effective on January 5, 2022 and SAMIL (either directly or through its subsidiaries or joint ventures) had, over the years, developed an in-house value chain of these products through various backward integration initiatives which gives it a distinct cost advantage. Accordingly, DWH Business has various inter-dependencies, inter-alia, with remaining business of SAMIL (including subsidiaries and joint ventures of SAMIL). 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 were carried out by Company with SAMIL and its subsidiaries/ Joint Ventures/Associates, Sumitomo Wiring Systems Limited (SWS) including their subsidiaries and joint venture companies and other related parties. In the respect, as a matter of abundant caution and good corporate governance the approval of the shareholders of SAMIL prior to the Scheme becoming effective was sought at its Extra-ordinary General Meeting held on April 29, 2021. The shareholders of SAMIL had approved various related party transactions to be undertaken by company, as more particularly mentioned in the Notice for the said extra-ordinary shareholders meeting read with the explanatory statement attached thereto pursuant to section 102 of the Companies Act, 2013. The Notice convening the said Extra-ordinary General Meeting is placed on the website at [www.motherson.com](http://www.motherson.com).

The Company has developed a Related Party Policy which is available on Company's website.

Your Directors draw attention of the members to Note No. 36 to financial statement which sets out related party disclosures.

#### **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**

#### **Participation in United Nations Global Compact ("UNGC") and adoption of Principles of National Guidelines on Responsible Business conduct ("NGRBC")**

Company being desirous to participate in United Nations Global Compact ("UNGC"), a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation, established in 2000 as a voluntary initiative based on Company's commitments to implement universal sustainability principles and to support UN goals and its principles and be aligned to the Sustainable Development Goals ("SDGs") to achieve the following objectives, has obtained the approval of its Board of Directors dated June 30, 2022, to participate

in UNGC and for adoption of principles of National Guidelines on Responsible Business Conduct ("NGRBC") :

- Company will be committed towards its sustainability and progress to its employees, investors, customers, peers, partners, suppliers and all stakeholders on UNGC platform. It will promote an action on sustainability within the Organisation.
- UNGC will offer a platform based on universal principles to encourage peer-to-peer learning and dialogue with other businesses, civil society, governments, and other stakeholders to foster innovative solutions and ideas.
- It will create a way to increase trust from all stakeholders and from an employer branding perspective to the prospective talent by demonstrating Company's commitment to sustainability.
- It will establish universal principles of sustainability within Company that are not specific to any one industry forming part of its platform for growth and diversification in the group.

#### **Business Responsibility Sustainability Report (BRSR):**

Pursuant to regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Sustainability Report 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. Company has taken initiative to publish BRSR report for FY 2021-22 on Voluntary Basis in view of Circular dated May 10, 2021 issued by the Securities and Exchange Board of India (SEBI).

#### **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.

#### **Adoption of Policies by the Company**

The Company has adopted Sustainability Policy along with Group Policies as mentioned below, to enhance governance across the Motherson Group by adhering to the principles of integrity, transparency, accountability and commitment to values. These Policies not only comply with the statutory requirements in letter and spirit, but also 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 SOCIAL RESPONSIBILITY (CSR)**

Your Company has a Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises of Mr. Vivek Chaand Sehgal (Chairman), Mr. Arjun Puri and Mr. Anupam Mohindroo -Members as Independent 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) which is available on the website of the Company at [www.mswil.motherson.com](http://www.mswil.motherson.com). Provisions of Section 135 of the Companies Act, 2013 are not applicable to the company for the year 2021-22. Thus requirements for Annual report on CSR activities is not applicable to the company for the year 2021-22.

The company will be performing CSR activities either by itself or through Swarn Lata Motherson Trust which has been established for the sole purposes of CSR activities and will carry out CSR activities in terms of applicability under Section 135 of the Companies Act as and when it arises.

#### **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.mswil.motherson.com](http://www.mswil.motherson.com).

## 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).

The listing fees for the financial year 2022-23 have been paid to the said Stock Exchanges.

The Company's equity shares continue to remain listed on NSE and 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

In terms of Listing Regulations, 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.

The Board of Directors of your Company in its meeting held on January 28, 2022 have adopted the 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.

## 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.mswil.motherson.com](http://www.mswil.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, 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, details of cases filed under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as under.

Complaint Received	Complaint Disposed of	Open
2	1	1 (Inquiry proceeding have been completed. Further steps for closure are in progress)

During the year Company has held 21 awareness programme for educating employee for prevention and reporting harassment cases.

## GREEN INITIATIVES

In compliance with the Circulars issued by Ministry of Corporate Affairs and Securities Exchange Board of India Limited, Notice of the AGM along with the Annual Report for the financial year ended March 31, 2022 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 of AGM and Annual Report for financial year 2021-22 will also be available on the Company's website [www.mswil.motherson.com](http://www.mswil.motherson.com) and 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.

## 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 the collaborator Sumitomo Wiring Systems Limited, Japan for their continuous support.

For and on behalf of the Board  
For Motherson Sumi Wiring India Limited

Vivek Chaand Sehgal  
Chairman  
DIN:00291126

Place : Noida  
Date : July 4, 2022

**ANNEXURE – A**

**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 the conservation of energy:

Emphasising on optimisation of energy consumption in every possible area in its units is the constant endeavour of the Company. After careful analysis, various avenues are being identified at periodic intervals and measures are being initiated to minimize the consumption of energy by optimum utilisation of energy-consuming equipment. During the year under review, the following measures were initiated/ adopted for conservation and optimising the utilisation of energy at various plants and units of the Company:

- Efficient air handling units (AHUs) use variable frequency drives (VFDs) and have stainless steel bodies with energy-efficiency motors for more effective air conditioning and energy savings.
- Optimised air conditioned systems for office area/airbag room/AC machine room/chemical room/temple etc. by installing Inverter AC and timer control for usage in non-working time.
- Testing the drain line of the fire hydrant system connected to the underground fire tank to avoid wastage of water and sensors are used in all water tanks.
- Installed energy-efficient high volume low speed (HVLS) fans in feasible units for more efficiency and reduction in power consumption and all new units are planned with HVLS. Normal fans are controlled with a timer.
- In new plants, optimal design of rainwater harvesting is implemented which reduces the installation cost and ensures better percolation efficiency and ease of maintenance.

- Reinforced concrete Cement (RCC) water tanks are replaced by factory-built modular tanks which are cost-efficient.
- 100% of units use LED Lights and power usage is controlled through sensors.
- Energy-efficient air compressor systems using Variable Frequency Drive (VFD), high-efficiency filters and air boosters are used for optimum utilisation.
- New plants are designed to use natural sunlight to reduce the electricity consumption for illumination during the daytime.
- Use of recyclable material and least energy usage building materials.
- We continue to create awareness amongst team members on energy conservation through campaigns, events and circulars.

(ii) Steps taken by the company for utilising alternate sources of energy:

- Rooftop solar plants are operational in eight units with a total capacity of 2374 Kw power. 20% of power usage is through green source.
- Wind power is being used through service providers in three units resulting in 70% green power usage.
- In the process of procurement of the use of PNG in lieu of Diesel in Gen-sets.
- In process of setting up water ponds in units to recoup groundwater levels and internal usage.
- In process of Installation of rooftop solar plants in seven more units with a capacity of 717 KW power which will result in power savings of 8-9% annually.
- As an SOP, for all new locations/set up solar plants feasibility will be studied during plant set-up planning.
- In the process to implement more renewable energy sources, evaluating small units of rooftop windmills to generate sustainable power generation.

(iii) The capital investment in energy conservation equipment:

The Company is making efforts on energy conservation and is in the project design stage. All such cases are considered in annual budgets. In addition to the above, considering the 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:

Functional safety is a fast-emerging need of customers for electrical and electronic distribution systems (including wiring harness systems and related products). The Company is investing in resources and infrastructures and working with leading domain consultants. The Company is deepening its strengths in embedded electronics including software and system software of real-time systems. The next level of virtual simulation for design verification, additive manufacturing and advanced validation facilities are the core focus of taking solution development to the next level.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

The mix of technology absorption and organic competence evolution is the prime mover in managing complexities at optimised unit cost. This internal strength is helping in quick definition, design, production as well as change management for simple to complex system level customer challenges.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported;

System and Software technologies are worked upon with international technology leaders. In part production, miniaturization technologies are being worked upon with our principal partners.

(b) the year of import;

2019-20 (as part of the Domestic Wiring Harness Division of Samvardhana Motherson International Limited (SAMIL) (earlier known as Motherson Sumi Systems Limited)

(c) whether the technology has been fully absorbed;

Yes

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not applicable

**Research and Development (R&D)**

The expenditure incurred on Research and Development (R&D) for Wiring Harness Research and Development (R&D) is done centralised at SAMIL. The Company reimburses SAMIL its share of expenses for R&D.

Expenditure incurred on Research and Development:

1. Revenue : INR 264 million
2. Capital : NIL
3. Total : INR 264 million
4. Total R&D expenditure is 0.47% of the turnover

**C. Foreign exchange earnings and Outgo-**

(INR in million)

a.	Total Foreign exchange earned in terms of actual inflows	397
b.	Total Foreign exchange outgo in terms of actual outflows	14,243

The detailed information on foreign exchange earnings and outgo is also furnished in the notes to the accounts.



**ANNEXURE – B**

**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. Anurag Gahlot \$	Whole time Director & COO	28.1	16%

\$ Appointed as Whole time Director & COO in the company effective January 28, 2022. Mr. Anurag Gahlot's salary has been considered for full year as employee and as Key Managerial Person from January 28, 2022.

(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. Arjun Puri**	Non-executive and independent director	10.7	NA
Ms. Geeta Mathur**	Non-executive and independent director	10.6	NA
Mr. Anupam Mohindroo**	Non-executive and independent director	3	NA
Mr. Rajesh Kumar Seth**	Non-executive and independent director	2.9	NA
Col (Retd.) Virendra Chand Katoch **	Non-executive and independent director	2.8	NA

\*\* Remuneration for non-executive and independent directors is sitting fee and commission payable/paid for the financial year ended March 31, 2022. 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. Yoshio Matsushita	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%
Ms. Pooja Mehra, Company Secretary^^	10%

^ Mr. G.N. Gauba appointed as Chief Financial Officer of the Company effective January 28, 2022. Prior to this he was Chief Financial Officer of Samvardhana Motherson International Limited (earlier Motherson Sumi Systems Limited)

^^ Ms. Pooja Mehra was appointed as the Company Secretary effective January 28, 2022. Prior to appointed as Company Secretary, Ms. Pooja Mehra was Company Secretary and an employee of erstwhile Samvardhana Motherson International Limited (SAMIL). After the merger of erstwhile SAMIL with the Company, Ms. Pooja Mehra continued in the employment of the Company.

- (ii) The percentage increase in the median remuneration of employees in the financial year: 12.3%
- (iii) The number of permanent employees on the rolls of company: 4,138
- (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: 11.8%
- (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.

## 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  
**Motherson Sumi Wiring India Limited**  
CIN L29306MH2020PLC341326

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. MOTHERSON SUMI WIRING INDIA 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 31st 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 31st 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-NOT APPLICABLE DURING THE AUDIT PERIOD.
- (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 Equity Shares of the Company have been listed on the BSE and National Stock Exchange on 28th March pursuant to the composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (Name now changed to Samvardhana Motherson International Limited), Erstwhile Samvardhana Motherson International Limited (SAMIL), Motherson Sumi Wiring India Limited and their respective shareholders and creditors, undertaken pursuant to Sections 230 - 232, and other applicable provisions, of the Companies Act, 2013 (hereinafter referred to as "Scheme")
2. Hon'ble National Company Law Tribunal, Mumbai Bench - IV ("Hon'ble NCLT") by way of its order dated December 22, 2021 ("Order") certified true copy for which was received on December 23, 2021, had approved the scheme which, inter alia, envisaged demerger of the domestic wiring harness business of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) into MSWIL ("Demerger").
3. As per the provisions of the said order the Demerger has become effective from January 5, 2022, and the DWH Business has been demerged into the Company from the appointed date of 1st April 2021.
4. Pursuant to the scheme of Amalgamation and Arrangement, portion of the authorized Share capital of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited), amounting to ₹ 300,00,00,000, comprising of 300,00,00,000 Equity Shares of Re. 1 each, shall stand transferred to be the authorized share capital of Company. Accordingly,

the authorised capital of MSWIL should have been increased to ₹ 333,00,00,000/- 315,79,34,237 Equity Shares of Re. 1/- each have been issued by the company to the shareholders of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) of the Company in the ratio of 1 Equity shares of Re. 1/- each in lieu of Re. 1/- each on 19th January 2022 whereas 5,00,000 Equity shares of the Company held by Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) have been cancelled during the year.

5. Change in the management of the Company:
  - Mr. Anurag Gahlot has been appointed as Whole-time Director of the Company w.e.f. 28th January 2022 for a period of 5 years during the year under review.
  - Mr. Norikatsu Ishida had been appointed as Nominee Director of Sumitomo Wiring Systems Limited on the Board of the Company w.e.f. 28th January 2022.
  - Mr. Arjun Puri, Ms. Geeta Mathur, Mr. Anupam Mohindroo, Col. (Retd) Virendra Chand Katoch and Mr. Rajesh Kumar Seth have been appointed as Independent Directors of the Company w.e.f. 28th January 2022.
  - Mr. Yoshio Matsushita had been appointed as Nominee Director of Sumitomo Wiring Systems Limited on the Board of the Company w.e.f. 28th January 2022.
  - Mr. G N Gauba has been appointed as Chief Financial Officer of the Company w.e.f. 28th January 2022.
  - Ms. Pooja Mehra has been appointed as Company secretary w.e.f. 28th January 2022.
  - Mr. Gautam Mukherjee, Mr. Naveen Ganju, Mr. Sanjay Mehta and Mr. Kunal Malani have been ceased to be the Directors of the Company w.e.f. 28th January 2022.

For SGS ASSOCIATES LLP  
Firm Regn No. L2021DE011600  
Company Secretaries

CS D.P. Gupta  
M. N. FCS 2411

Date: July 4, 2022  
Place: New Delhi  
UDIN: FO02411D000556943

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 -A

### ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE (UNQUALIFIED)

To  
The Members  
**MOTHERSON SUMI WIRING INDIA LIMITED**  
CIN L29306MH2020PLC341326

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: July 4, 2022  
Place: New Delhi

UDIN: F002411D000556943

## 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 the details of Corporate Governance systems and processes at Motherson Sumi Wiring India Limited (“**the Company**”).

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Strong and Sustainable Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are being built for generations to come. The basic objective of the Corporate governance policies is to attain the highest levels of transparency, accountability and integrity which goes beyond meeting only statutory requirements and puts in place procedures and systems which are in accordance with Global Best Practices of Governance.

Governance is the way of life in the company. The Company was established as a result of the demerger of the domestic wiring harness business of India from its parent company Samvardhana Motherson International Limited (SAMIL) {formerly Motherson Sumi Systems Limited (MSSL)} w.e.f January 5, 2022 and equity shares of the Company got listed on BSE Limited and National Stock Exchange of India Limited from March 28, 2022 onwards and subsequently the status of the Company changed from unlisted to listed Company.

Strong Leadership and Effective Corporate Governance Practices have been inherited by the company from Motherson Group. The Company follows Motherson Group philosophy of building sustainable businesses by following the system of rules, practices and processes which not only provide framework for attaining company's objectives but enhance trust of its Customers, Employees, Investors, Government, the Community at large and achieve company's goal of maximizing value for its stakeholders while also being a positive influence in communities, by operating through responsible and sustainable business practices.

The Company has adopted Code of Conduct for its employees which encompasses an appropriate process to report any concern pertaining to non-adherence to the said Code. Code of Conduct adopted by company for its executive and non-executive directors suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013 (“Act”). Company's corporate governance philosophy has been further strengthened through adoption of group policies like

Prevention of Insider Trading Policy, Anti-Bribery, Gift, Meals & Entertainment Policy, Competition and Antitrust Policy, Inclusion and Diversity Policy well before the company became listed in India.

Company's Governance Structure broadly comprises of the Board of Directors (“Board”) and the Committees of the Board at top level and the management team at operational level. Board sets out the overall objectives by giving directions to the management and empowering them to achieve the Company's goal in sustainable manner.

The Board had constituted following committees on January 28, 2022 for giving more focused attention to various facets of business and board responsibilities and in terms of Listing Regulations prior to company becoming listed company:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee
6. Administrative committee
7. Share Transfer Committee

Post March 31, 2022 Company has formed Sustainability Committee of the Board of Directors of the company.

### BOARD OF DIRECTORS

The Board plays a pivotal role in functioning of the company. Company Board has a robust blend of Directors who not only bring with them desired level of independent in functioning and decision making but also bring professional expertise and experience to the management of the company.

The Board of the company was reconstituted on January 28, 2022 prior to listing of equity shares of the company. Mr. Arjun Puri and Ms. Geeta Mathur who were appointed as Independent Directors on the Board of SAMIL, were opted for continuing as Independent Directors in the company subsequent to the effectiveness of the demerger of Domestic Wiring Harness Undertaking of SAMIL into the company, in order to ensure continuity of Board participation and benefit the Company with the vast experience and knowledge of these Independent Director. Mr. Anupam Mohindroo, Mr. Rajesh Kumar Seth and Col. Virendra Chand Katoch were also appointed as

Independent Directors on the Board of the Company. Mr. Norikatsu Ishida and Mr. Yoshio Matsushita were appointed as representative Directors of Sumitomo Wiring Systems Limited in the company. Apart from the above mentioned, Mr. Anurag Gahlot was appointed as Chief Operating Officer designated as Whole Time Director on the Board of the company. Appointment of the above said directors was approved by the shareholders of the company in their meeting held on April 22, 2022.

As on March 31, 2022, the Company had ten (10) Directors, of which nine (9) are Non-executive Directors including five (5) Independent Director 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.

The number of Directorship(s), Committee Membership(s) and Chairmanship(s) of all Directors is within respective limits prescribed under the Act and Listing Regulations.

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 Director Non Independent Director	5	1	0
Mr. Laksh Vaaman Sehgal* (DIN 00048584)	Non-executive Non Independent Director	7	3	0
Mr. Norikatsu Ishida (DIN 09443998 <sup>§</sup> )	Non-executive Non Independent Director	1	2	0
Mr. Yoshio Matsushita (DIN 09480897 <sup>§</sup> )	Non-executive Non Independent Director	0	0	0
Mr. Arjun Puri (DIN 0021190)	Non-Executive Independent Director	3	4	1
Ms. Geeta Mathur** (DIN 02139552)	Non-Executive Independent Director	8	9	6
Mr Anupam Mohindroo** (DIN 06544719)	Non-Executive Independent Director	0	1	0
Mr. Rajesh Kumar Seth (DIN 09477684)	Non-Executive Independent Director	0	2	1
Col. (Retd) Virendra Chand Katoch (DIN 08452183)	Non-Executive Independent Director	1	2	0
Mr. Anurag Gahlot (DIN 09455743)	Whole-time Director & Chief Operating Officer, Executive Director	0	0	0

\* Promoter and Director of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited).

<sup>§</sup> Representative Director of Sumitomo Wiring Systems Limited (SWS).

@ 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, companies under section 8 of the Companies Act, 2013 and High Value Debt Listed Entities.

Mr. Gautam Mukherjee, Mr. Naveen Ganzu, Mr. Sanjay Mehta and Mr. Kunal Malani resigned from the Board of the Company effective from January 28, 2022.

\*\* Mr Anupam Mohindroo has been appointed as chairman of the Audit Committee in place of Ms. Geeta Mathur from May 12, 2022 in the Company.

#### 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 and that they are not aware of any circumstance or situation which exists or may be reasonable anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. All requisite declarations were placed before the Board and upon perusal of such declarations, the Board viewed 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 as well as Listing Regulations.
- The Chairman and Independent Directors of the company are not liable to retire by rotation. All other Directors are liable to retire by rotation.

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	Hero Fincorp Limited (only Debt Listed)	Independent Director
	Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited)	Non-Executive Director Non Independent Director, Chairman
Mr. Laksh Vaaman Sehgal	Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited)	Non-Executive Director Non Independent Director
Mr. Norikatsu Ishida	Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited)	Non-Executive Director Non Independent Director
Ms. Geeta Mathur	NIIT Limited	Independent Director
	IIFL Finance Limited (formerly IIFL Holdings Limited)	Independent Director
	Info Edge (India) Limited	Independent Director
	Onmobile Global Limited	Independent Director
	IIFL Wealth Management Limited	Independent Director
	Healthcare Global Enterprises Limited	Independent Director
Mr. Yoshio Matsushita	Nil	Not Applicable
Mr. Arjun Puri	Nil	Not Applicable
Mr. Anupam Mohindroo	Nil	Not applicable
Mr. Rajesh Kumar Seth	Nil	Not Applicable
Col. (Retd) Virendra Chand Katoch	Nil	Not applicable
Mr. Anurag Gahlot	Nil	Not Applicable

## Attendance at Board Meeting and Annual General Meeting

The Board of Directors of the Company meets at least four times in a year.

Eight (8) Board Meetings were held during the financial year 2021-22 and gap between two meetings did not exceed 120 (one hundred and twenty) days. The necessary quorum was present for all meetings. The said meetings were held on: (1) April 1, 2021 (2) May 14, 2021 (3) September 9, 2021 (4) December 24, 2021 (5) January 4, 2022 (6) January 19, 2022 (7) January 28, 2022 and (8) March 22, 2022

The attendance record of the Board of Directors at the Board Meetings and Annual General Meeting held during the FY 2021-22 is as below containing record for Mr. Gautam Mukherjee, Mr. Naveen Ganzu, Mr. Kunal Malani and Mr. Sanjay Mehta till Board Meeting held on January 28, 2022 i.e upto date of their resignation from the directorship in the company and record for Ms. Geeta Mathur, Mr. Arjun Puri, Mr. Anupam Mohindroo, Mr. Rajesh Kumar Seth and Col. (Retd) Virendra Chand Katoch from January 28, 2022 onwards i.e from the date of their appointment as Directors in the company:

a) Prior to reconstitution of the Board of the company (i.e till January 28, 2022)

Sl. No.	Name of Director	No. of Board Meetings Attended	% of attendance in Board Meeting	Attendance at last Annual General Meeting
1.	Mr. Vivek Chaand Sehgal	7	100	Yes
2.	Mr. Laksh Vaaman Sehgal	7	100	Yes
3.	Mr. Sanjay Mehta*	6	86	Yes
4.	Mr. Gautam Mukherjee*	7	100	Yes
5.	Mr. Naveen Ganzu*	7	100	Yes
6.	Mr. Kunal Malani*	7	100	Yes

b) Post reconstitution of the Board of the company (i.e after January 28, 2022)

Sl. No.	Name of Director	No. of Board Meetings Attended	% of attendance in Board Meeting	Attendance at last Annual General Meeting
1.	Mr. Vivek Chaand Sehgal	1	100	Yes
2.	Mr. Laksh Vaaman Sehgal	1	100	Yes
3.	Mr. Norikatsu Ishida**	1	100	Not Applicable
4.	Mr. Yoshio Matsushita**	1	100	Not Applicable
5.	Mr. Arjun Puri**	1	100	Not Applicable
6.	Ms. Geeta Mathur**	1	100	Not Applicable
7.	Mr. Anupam Mohindroo**	1	100	Not Applicable
8.	Mr. Rajesh kumar Seth**	1	100	Not Applicable
9.	Col. (Retd) Virendra Chand Katoch**	1	100	Not Applicable
10.	Mr. Anurag Gahlot**	1	100	Not Applicable

\* Resigned from the Directorship of the Company effective from January 28, 2022

\*\*Appointed as Directors of the Company effective from January 28, 2022

Considering the pandemic due to COVID 19, the Company provided the Video conferencing facility to enable all the Directors to attend and participate at the meetings from different locations.

The information placed before the Board of Directors amongst others include the following:

- Yearly results of the Company.
- Minutes of the meetings of the Board

- Annual Operating plans and budgets
- Recruitment and Remuneration of Senior management / Key Managerial Personnel (KMPs) of the Company.
- Borrowings by the Company and update on the fund utilisation.
- Approval/update on the Composite scheme of Arrangement and Amalgamation
- Other information mentioned in Schedule II of Part A of the Listing Regulations as applicable.

The details of equity shares of the Company held by the Directors as on March 31, 2022 are given below:

### (A) Equity shares:

Name	Category	No. of equity shares (face value of ₹ 1 each)
Mr. Vivek Chaand Sehgal	Non-Executive Non Independent Director	7,31,65,402
Mr. Rajesh Kumar Seth	Non-Executive Independent Director	77,545
Mr. Arjun Puri	Non-Executive Independent Director	3,750
Mr. Anupam Mohindroo	Non-Executive Independent Director	0
Ms. Geeta Mathur	Non-Executive Independent Director	10,125
Col. (Retd) Virendra Chand Katoch	Non-Executive Independent Director	0
Mr. Laksh Vaaman Sehgal	Non-Executive Non Independent Director	123
Mr. Anurag Gahlot	Executive Director (Designated as Whole time director & COO)	24,200
Mr. Norikatsu Ishida	Non-Executive Non Independent Director	0
Mr. Yoshio Matsushita	Non-Executive Non Independent Director	0

**(B) Equity Convertible instruments:** The Company has no outstanding equity convertible instruments.

### Meeting of Independent Directors

During year under review, the Independent Directors met on March 16, 2022. Mr. Arjun Puri as the Lead Independent Director presided the said meeting of the Independent Director. All the Independent Directors were present at the Meeting. The meeting was held without presence of non-independent directors and management personnel wherein:

- Presentation(s) were given to the Independent Directors for familiarization with Company, background, business model of the company, overview of Legal Requirements and roles, rights, responsibilities of independent directors to enable the Independent Directors understand the Company, the Industry in which the Company operates and to help them understand their Roles and Responsibilities.
- Directors discussed to 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, to which the Independent Directors opined that since the company is a newly incorporated company and with the appointment of Independent Directors done recently in terms of Listing Regulations and Companies Act, 2013 they will review the flow of information to the Board for next 2-3 quarters and then advise management on the timelines for flow of information to the board.

### Familiarization Programme of Independent Directors

The Independent Directors of the Company are eminent personalities having wide experience. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Familiarisation programme was being conducted for the Independent Directors of Company on March 16, 2022. The object of the Familiarisation Programme was to enable the Independent Directors to understand the business of the Company and contribute accordingly to the cause of the Company.

Presentation(s) were given to the Independent Directors for the following:

- familiarization with Company, background, business model of the company
- overview of Legal Requirements and roles, rights, responsibilities of independent director.

The details of the familiarization programme of the Independent Directors are available on the website of the Company at:

<https://www.mswil.motherson.com/performance/investors/policies>

#### Performance Evaluation criteria for Independent Directors

As informed above, the Board of the company has been reconstituted on January 28, 2022 pursuant to Scheme and in terms of compliance with Listing Regulations. The performance of the Directors including the Independent Directors will be evaluated in coming year 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, would be taken up by the entire Board, based on their performance and fulfilment of the independence criteria prescribed under the Companies Act, 2013 and Listing Regulations. Evaluation parameters and the manner of evaluation of the Board will be as per the Nomination, Remuneration and Evaluation Policy of the company.

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 and Industry Knowledge	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 and industry knowledge of Wiring Harness Business .
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.

#### Code of Conduct

The Company has stipulated Code of Conduct for all Directors and the permanent 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.mswil.motherson.com](http://www.mswil.motherson.com).

The Code has been circulated to the Directors and all permanent employees of the Company and its compliance by them is confirmed annually. The Members of the Board and Senior 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 in this respect 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	
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 in Business to Business (B 2 B) Environment	Experience in developing strategies for customer support function, grow sales and market share, build brand awareness and enhance enterprise reputation in B 2 B environment.

#### Core skills, expertise and competencies of the Directors:

While all the Board Members possess the skills identified, list of core skills, expertise and competencies of the individual Directors is placed below:

Name of Director	Skills / Expertise / Competencies						
	Financial	Gender, ethnic, national, or other diversity	Global Business and Industry Knowledge	Leadership	Technology	Board service and governance	Customer support function in Business to Business (B 2 B) Environment
Mr. Vivek Chaand Sehgal	✓	✓	✓	✓	✓	✓	✓
Mr. Rajesh Kumar Seth	✓	✓	✓	✓	✓	✓	✓
Mr. Norikatsu Ishida	✓	✓	✓	✓		✓	✓
Mr. Arjun Puri	✓	✓	✓	✓	✓	✓	✓
Mr. Anupam Mohindroo	✓	✓	✓	✓	✓	✓	✓
Ms. Geeta Mathur	✓	✓	✓	✓	✓	✓	✓
Col (Retd) Virendra Chand Katoch	✓	✓	✓	✓	✓	✓	
Mr. Laksh Vaaman Sehgal	✓	✓	✓	✓	✓	✓	✓
Mr. Yoshio Matsushita		✓	✓	✓	✓	✓	✓
Mr. Anurag Gahlot	✓	✓	✓	✓	✓	✓	✓

#### Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct to regulate Insider Trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

#### COMMITTEES OF BOARD

##### Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013 on January 28, 2022. The Audit Committee of the Company comprises majority of the Independent Directors and Chairperson being the Independent Director. The members of the Audit Committee had one meeting on March 22, 2022 before March 31, 2022. All the Committee Members had attended the said meeting. Mr. G.N. Gauba, Chief Financial Officer of the company also attended the Audit Committee Meeting.

The composition of the Audit Committee is as below:

Name	Designation	Category	Committee Meetings Attended
Ms. Geeta Mathur	Chairperson	Non-Executive Independent Director	1
Mr. Arjun Puri	Member	Non-Executive Independent Director	1
Mr. Anupam Mohindroo	Member	Non-Executive Independent Director	1
Mr. Rajesh Kumar Seth	Member	Non-Executive Independent Director	1
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non Independent Director	1
Mr. Norikatsu Ishida	Member	Non-Executive Non Independent Director (Nominee of SWS)	1

Mr. Anupam Mohindroo has been appointed as Chairman of the Audit Committee in place of Ms. Geeta Mathur w.e.f May 12, 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;
- The effect of regulatory and accounting initiatives as well as off-balance-sheet structures, on the financial statements;
- Company's earnings press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies;
- Recommendation for appointment, remuneration and terms of appointment of auditors
- Annual Budget review;
- Review and recommendation of the valuation reports to the Board of Directors;
- Review of Management Discussion and Analysis of financial condition and results of operations;
- Review the functioning of the whistle blower mechanism;
- Review of Insider Trading Portal;
- 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);

- Reviewing the findings of any internal audit reports by the internal auditors;
- Any other document required to be reviewed by the Committee (or a similar body) as per the applicable laws of the Company;
- 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, as applicable

The Company Secretary act as the Secretary to the Audit Committee.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company has been constituted on January 28, 2022 in line with the provisions of Regulation 19 of Listing Regulations read with Section 178(1) of the Companies Act, 2013 on January 28, 2022.

The composition of the Nomination and Remuneration Committee is as below:

Name	Designation	Category
Col (Retd) Virendra Chand Katoch	Chairman	Non-Executive Independent Director
Ms. Geeta Mathur	Member	Non-Executive Independent Director
Mr. Anupam Mohindroo	Member	Non-Executive Independent Director
Mr. Laksh Vaaman Sehgal	Member	Non-executive Non Independent Director

The terms of reference of the Nomination and Remuneration Committee include:

- To identify persons who, in accordance with the criteria laid down 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;
- To decide whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Director
- Devising a Policy on Board Diversity; and
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

#### Remuneration Policy

The Company has adopted a Nomination, Remuneration and Evaluation 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.

Nomination, Remuneration and Evaluation 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 will be 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, 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 will consider, 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 may be prescribed in the Corporate Governance Guidelines under Listing Regulations or by the Board from time to time.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee will satisfy 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 will ensure 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 members 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:

- INR 50,000 per meeting for a Board Meeting and Audit Committee Meeting; and
- INR 30,000 for any other Committee Meeting.

The details of remuneration for financial year ended March 31, 2022 for the Directors are as follows:

- Independent Directors (Non-executive) for FY 2021-22

Name of Directors	Sitting Fees (INR)
Mr. Rajesh Kumar Seth	150,000
Mr. Arjun Puri	180,000
Mr. Anupam Mohindroo	180,000
Ms. Geeta Mathur	150,000
Col . (Retd) Virendra Chand Katoch	100,000

Based on the performance of the Company and contribution of the Independent Directors, there is proposal to pay commission to the Independent Directors from the profit of the Company for the financial year ended March 31, 2022 post approval of the shareholders of the company:

- INR 4,500,000 (subject to deduction of applicable taxes) to Mr. Arjun Puri and Ms. Geeta Mathur
- INR 1,125,000 (subject to deduction of applicable taxes) to Mr. Anupam Mohindroo, Mr. Rajesh Kumar Seth and Col. Virendra Chand Katoch

- Whole-time Director:

Name of Director	Salary	Amount (INR)
Mr. Anurag Gahlot	Basic salary	2,362,405
	Bonus	-
	Benefits perquisites and allowances	-
	<b>Total</b>	<b>2,362,405</b>

The period of service of Mr. Anurag Gahlot as Whole-time Director as approved by the members is from January 28, 2022 and 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. Anurag Gahlot. All components of the salary are fixed there is no performance linked incentives being given to Mr. Anurag Gahlot.

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 on January 28, 2022. The Committee looks into shareholders' and investors' grievances.

The composition of the Stakeholders Relationship Committee meeting is as below:

Name	Designation	Category
Mr. Rajesh Kumar Seth	Chairman	Non-Executive Independent Director
Col V C Katoch	Member	Non-Executive Independent Director
Mr. Norikatsu Ishida	Member	Non Executive Non Independent Director
Mr. Laksh Vaaman Sehgal	Member	Non Executive Non Independent Director

Ms. Pooja Mehra, Company Secretary is the Compliance Officer of the company from January 28, 2022.

#### Terms of reference of Stakeholder Relationship Committee are as under:

- To review and redress the grievances of shareholder;
- Approve transfer/transmission, dematerialization and re-materialization of equity shares / securities of the Company in a timely manner;
- To oversee the performance of Registrar and Share Transfer Agent and recommend measures for overall improvement in the quality of investors services;
- To deal with all aspects relating to issue and allotment of shares of the Company;
- To monitor and review any investor complaints received by the Company or through regulatory authorities and ensure its timely and speedy resolution, in consultation with the Board's Secretary or Compliance Officer and Registrar and Share Transfer Agent; and
- To update the Board of Directors to redress various investor complaints and functioning of the Committee.
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

#### Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 on January 28, 2022. During the financial year 2021-22, 1 (one) meeting of this Committee was held on March 21, 2022 which was attended by all members of the Committee.

The composition of the Committee during the FY 2021-22 is as below:

Name	Designation	Category
Mr. Vivek Chaand Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Arjun Puri	Member	Non-Executive Independent Director
Mr. Anupam Mohindroo	Member	Non-Executive - Independent Director

Terms of reference of the Committee are as under:

- 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 activities referred to in (i);
- To monitor CSR Policy of the Company from time to time and recommend for the amendments in the Policy, as and when required.
- To report on Projects or programmes in accordance with Companies Act, 2013 and Rules therein;
- To formulate and/or recommend alteration in annual action plan in pursuance of CSR Policy which includes the following:
  - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;



- the manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
  - the modalities of utilisation of funds and implementation schedules for the projects and programmes;
  - monitoring and reporting mechanism for the projects or programmes; and
  - details of need and impact assessment, if any, for the projects undertaken by the Company;
- vi) To recommend the Budget to the Board for approval, in pursuance of the Companies Act, 2013;
- vii) To be accountable for spending the allocated CSR Budget;
- viii) To recommend for undertaking CSR activities in partnership / collaboration with Implementing Partner (if any);
- ix) To create transparent monitoring mechanisms for implementation of CSR initiatives;
- i) To submit reports to the Board in respect of CSR Initiatives undertaken by the Company;
- ii) To monitor charter or MOUs for the partnership and implementation of Projects or Programmes under partnerships.

#### Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with provisions of Regulation 21 of Listing Regulations on January 28, 2022. The Board of the Company has formed this 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.

The composition of the Committee during the FY 2021-22 is as below:

Name	Designation	Category
Ms. Geeta Mathur	Chair-person	Non-Executive -Independent Director
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non Independent Director
Mr. Norikatsu Ishida	Member	Non-Executive Non Independent Director
Mr. Anurag Gahlot	Member	Executive Director (Designated as Whole time director & COO)
Mr. Gaya Nand Gauba	Member	Chief Financial Officer

Meeting of Risk Management Committee was held subsequent to the year ended March 31, 2022.

#### Terms of reference of Risk Management Committee are as under:

- i) To review the risk philosophy, strategy, policies and risk tolerance and appetite recommended by management. The Committee will ensure compliance with such policies in accordance with the overall risk profile of the Company. Risk in the widest sense, i.e. enterprise-wide risk, will be considered by the Committee;
- ii) To review management reports detailing the adequacy and overall effectiveness of risk management, its implementation by management, reports on internal control and any recommendations and confirm that appropriate action has been taken;
- iii) To review key risk areas and key performance indicators of the company, and monitor these factors as part of a regular review of processes and procedures to ensure the effectiveness of its internal systems of control;
- iv) To review the risk bearing capacity of the company in light of its reserves, insurance coverage, guarantee funds or other such financial structures.

- v) To assist the Board in setting risk strategy policies, including annually agreeing risk tolerance and appetite levels, in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and integrated reporting;
- vi) To ensure that an appropriate policy and plan for a system of risk management is developed by management, approved by the Board and distributed throughout the Company;
- vii) To annually review, assess the quality, integrity and effectiveness of the risk management plan and systems and ensure that the risk policies and strategies are effectively managed by management and that risks taken are within the agreed tolerance and appetite levels;
- viii) To review and assess the nature, role, responsibility and authority of the risk management function within the company and outline the scope of risk management work;
- ix) To ensure that the company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the company's appetite or tolerance for risk. A framework and process to anticipate unpredictable risks should also be implemented;
- x) To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually. This assessment should as a minimum cover risks affecting the income streams of the company, IT risks, the critical dependencies of the business, the sustainability and the legitimate interest and expectations of shareholders; A framework and process to anticipate unpredictable;
- xi) To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the company's objectives are attained;
- xii) To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;

- xiii) To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts; and
- xiv) To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by management and the Audit Committee to the Board on all categories of identified risks.
- xv) To assist the Board in its responsibility for disclosure in relation to risk management in the annual report, and acknowledgement that it is accountable for the risk management function.

#### 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 operations of the Company. The said Committee was constituted on January 28, 2022.

The following are members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Arjun Puri	Member	Non-Executive Independent Director
Mr. Norikatsu Ishida	Member	Non-Executive Non Independent Director
Mr. Anurag Gahlot	Member	Executive Director

The terms of reference of the Committee, inter-alia, includes the following:

- a) 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 Officers to operate said accounts and for time to time vary such authorization and also to close such accounts as it may deem fit.
- b) To authorise Directors and/or Officers 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.
- c) To appoint Occupier for the factory (ies) of the Company under the Factories Act, 1948 and also appoint the Factory manager, if any.
- d) To authorise Officials of the Company to sign and execute the necessary documents for dealing with various authorities pertaining to Direct and Indirect Taxes.
- e) To authorise Director and/or Officers of the Company to acquire land and sign and execute the Lease Agreement, Sub-lease Agreement and other document(s) as may be required.
- f) 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.
- g) To authorize any Director and/or officer 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 as may be required.
- h) 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 or 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.
- i) To change trustee(s) of the Gratuity Trust(s) being maintained by the Company and its division and/or signatories to their bank accounts and further authorize officials of the Company person all matters related and/on incidental thereto.
- j) To authorize any Director and/or officer of the Company for any other Administrative items required for the smooth operation not covered herein in the best interest of the Company.

- k) To delegate any of the aforesaid powers to any Director and/or Officers of the Company.
- l) To authorize such other power as are delegated to it from time to time by the Board of Directors.

No Meeting was held in Financial Year 2021-22 for this Committee.

#### 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. The BRSR has become applicable to the top 1000 listed entities (by market capitalization). In new requirements, the reporting of BRSR is voluntary for FY 2021 -22 and mandatory from FY 2022 -23. Company has voluntarily adopted reporting of BRSR for the year 2021-22.

This year is the first year of implementation and invitation of BRSR reporting by the Company and BRSR report has been prepared on best efforts basis by Company.

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 have constituted Global Sustainability Committee post March 31, 2022. The said Committee, subject to the overall superintendence, control and direction of the Board, will be responsible to drive the sustainability goals as prescribed by SEBI, UN and follow principles as laid down in National Guidelines on Responsible Business Conduct'.

The following are the members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Norikatsu Ishida	Member	Non-Executive Non Independent Director
Mr. Rajesh Kumar Seth	Member	Non-Executive Independent Director
Mr. Anurag Gahlot	Member	Executive Non Independent Director

#### Share Transfer Committee

Board has constituted Share Transfer Committee on January 28, 2022 comprising of following members:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Anurag Gahlot	Member	Executive Director
Mr. V C Katoch	Member	Non-Executive Independent Director
Mr. Norikatsu Ishida	Member	Non-Executive Non Independent Director

The terms of reference of the Committee, inter-alia, includes the following:

- i) To approve transfer/transmission of shares, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates;
- ii) To ensure compliance with all the requirements related to shares, debentures and other securities from time to time after duly complying with all applicable provisions.

#### Investor Relations

##### Shareholder's grievances

During the year as per the Scheme, 3,157,934,237 equity shares having face value of INR 1/- each were allotted by the Company, in the ratio of 1 equity share of the Company of face value INR 1/- each for every 1 equity share of SAMIL of face value INR 1/- each to the shareholders of SAMIL, on January 19, 2022 which were credited to the shareholders of the company on January 21, 2022. From January 21, 2022 till March 31, 2022, the Company had received 2 investors' complaints, such as, non- receipt of shares. All complaints received were disposed off within the said financial year to the satisfaction of the shareholders. The complaints are generally responded to within seven (7) days from date on which they are lodged with the Company / Registrar and Share Transfer Agent. Further, there were no investor complaint pending as on March 31, 2022.

#### General Meetings:

##### Particulars of the past three years Annual General Meeting (AGM):

Annual General Meeting	Date	Time	Venue	Special Resolution passed
1st	September 14, 2021	04:30 P.M.	Held Through Video Conferencing	None

Company was an unlisted company being held 100% by Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) along with its nominees on the date of 1st AGM. There were no Postal Ballots conducted during the year under review.

#### Means of Communication

The annual results of the Company for the year ended March 31, 2022 which were the first results post listing of the company from March 28, 2022 were published in leading newspapers of India i.e Economic Times, Navbharat and Nav Shakti, Mumbai. The results were also displayed on the Company's web site [www.mswil.motherson.com](http://www.mswil.motherson.com).

Presentations made to institutional investors and financial analysts on the Company's audited annual financial results were uploaded on the Company's website. The Company informs regularly interaction with the shareholders through multiple channels of communication.

The Company's website [www.mswil.motherson.com](http://www.mswil.motherson.com) contains a separate dedicated section 'Investor Section' where Shareholders' information is available. The Company's Annual Report will also be available in downloadable form.

NSE Electronic Application Processing Systems (NEAPS) and NSE Digital platform: NSE has designed web-based application 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 and NSE Digital Platform.

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.

#### 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 dividend policy for "distribution of upto 40% of 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:-

#### 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 transactions entered into with related parties as defined under the Act and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business. Board of Directors of the Company had approved various related party transactions, emanating from the Scheme of Arrangement for Demerger of DWH Undertaking from SAMIL into the Company. Further, the shareholders of SAMIL, being the then ultimate shareholder of the Company, in their extraordinary general meeting held on April 29, 2021, had also accorded prior approval to the aforesaid Related

Party transactions to be undertaken by the Company arising out of the Scheme on Demerger becoming effective on January 5, 2022 and authorized the Directors to perform all necessary actions in this regard. Since the shareholding of the Company on the Demerger becoming effective on January 5, 2022 is mirror image of the shareholding of SAMIL prior to the Scheme becoming effective, approval taken from the shareholders of SAMIL prior to the Scheme becoming effective is deemed to be an approval obtained by the Company. The Board has approved a policy for related party transactions which has been uploaded on the Company's website [www.mswil.motherson.com](http://www.mswil.motherson.com). Transactions with the related parties are disclosed in the 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.
- There is no Subsidiary of the Company. However, 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.mswil.motherson.com](http://www.mswil.motherson.com).
- All mandatory requirements have been duly complied with.

#### 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 matter has been reclaimed under Whistle-blower Policy of the Company. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at [www.mswil.motherson.com](http://www.mswil.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

There are no subsidiary companies of the Company

#### 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 : 12.15 P.M.  
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 year of the company is from April 1 of a year to March 31 or the succeeding year.

- 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 w.e.f March 28, 2022:

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 : MSUMI	BSE Limited 1st Floor, New Trading Ring Rotunda Building P.J. Towers, Dalal Street Fort, MUMBAI - 400001, India Scrip Code : 543498
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Payment of listing fees: Listing fees for financial year 2021-22 has been paid to BSE Limited and National Stock Exchange of India Limited.

##### 6. Market price data and Performance in comparison to Board based Indices: Company has been listed w.e.f March 28, 2022 only on Stock Exchanges. High & Low for period of trading from March 28, 2022 at BSE Limited and National Stock Exchange of India Limited is placed below:

Month	BSE Limited		NSE	
	High	Low	High	Low
March 28, 2022	69.30	62.70	68.45	61.95
March 31, 2022	64.65	59.10	64.70	59.30

**Shareholding Pattern of the Company as on 31.03.2022 was as under:**

Category	No. of shares held	% of shareholding
Promoters and Promoters Group	1,949,286,546	61.73
Mutual Funds	318,901,853	10.10
Financial Institutions and Banks	62,6621	0.02
Foreign Institutional / Portfolio Investors	470,170,779	14.89
Insurance Companies	102,812,127	3.26
Bodies Corporate, NBFCs registered with RBI and Trusts	27,037,882	0.86
General Public (Individuals)	243,573,869	7.70
Alternate Investment Funds	1,532,872	0.05
NRIs and Foreign Nationals	10,242,965	0.32
IEPF	703,451	0.02
Clearing Members*	33,045,272	1.05
<b>Total</b>	<b>3,157,934,237</b>	<b>100</b>

\*These shares are lying in pool account of NSDL/CDSL since buyers' identity is not established.

**7. Trading of Shares of the Company:** Trading of shares of your company has been post Listing and Trading Approval from March 28, 2022 onwards. During the period under review, trading in shares of the company was not suspended.

**8. Registrar and Transfer Agents**

The Registrar and Transfer Agent (RTA) of the Company is KFin Technologies Private Limited. The investors can send their queries to:

KFin Technologies Limited  
(Unit- Motherson Sumi Wiring India 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

**9. Distribution of shareholding as on March 31, 2022 was as under:**

MOTHERSON SUMI WIRING INDIATD					
Distribution of Shareholding as on 31/03/2022 (TOTAL)					
Sl. No.	Category (Amount)	No. of Holders	% To Holders	Amount (INR)	% To Equity
1	1 - 5000	673,651	99.32	107,882,469	3.42
2	5001 - 10000	1,920	0.28	13,793,637	0.44
3	10001 - 20000	987	0.15	13,974,962	0.44
4	20001 - 30000	416	0.06	10,284,194	0.33
5	30001 - 40000	388	0.06	14,113,099	0.45
6	40001 - 50000	135	0.02	6,126,132	0.19
7	50001 - 100000	245	0.04	17,020,317	0.54
8	100001 and above	497	0.07	2,974,739,427	94.20
	<b>TOTAL</b>	<b>678,239</b>	<b>100.00</b>	<b>3,157,934,237</b>	<b>100.00</b>

**10. 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 investor. The Company has established connectivity with both the depositories i.e. NSDL and CDSL. Equity shares of the Company representing 100% of the Company's equity share capital are dematerialized as on March 31, 2022. Details are given below:

Mode of holding	Percentage (%)
NSDL	97.02
CDSL	2.98
Physical	-
<b>Total</b>	<b>100</b>

Demat ISIN Number in NSDL and CDSL for equity shares: ISIN-.INEOFS801015

**Reconciliation of Share Capital Audit Report**

As stipulated by the Listing Regulations a qualified Practising Company Secretary carried out an Audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid up capital. This audit is required to carried out in each quarter The Audit, inter-alia confirms that the total listed and paid up share capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL shares.

**11. 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.

**12. Commodity price risk or foreign exchange risk and hedging activities:**

The Company has a pass through arrangement for copper as well as foreign exchange for most of its customers and hence does not do direct commodity price risk or foreign exchange risk and hedging activities.

Please refer to Management Discussion and Analysis Report for the same.

**13.** 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 as applicable.

**14. Fees paid to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part:**

The details of total fees for all services paid by the Company is as under:

Sl. No.	Particulars	Amount (in INR)
1.	Statutory Auditors	4,799,619
2.	Other Services	1,325,000
	<b>Total</b>	<b>6,124,619</b>

**15. Credit ratings:**

During the year 2021-22 the Company has not issued any securities for which credit rating was required to be obtained.

**16.** Disclosure for cases of the Sexual Harassment of Women in terms of Workplace (Prevention, Prohibition and Redressal) Act, 2013 are being mentioned in Directors Report.

**17.** There are no funds raised through Private Placement or Qualified Institutional Placement by the Company during the year 2021-22.

**18. 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:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 133 holders with 799,129 shares
- (b) Number of shareholders who approached the Company 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: 133 holders with 799,129 shares
- (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: 799,129

**19. 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/Ministry of Corporate Affairs or any such Statutory Authority, is annexed as Annexure- 2.

**20. Plant Locations (in India):**

- (a) Noida (Uttar Pradesh)
- (b) Haldwani (Uttarakhand)
- (c) Lucknow (Uttar Pradesh)
- (d) Faridabad (Haryana)
- (e) Gurugram (Haryana)
- (f) Sanand (Gujarat)
- (g) Pathredi (Rajasthan)
- (h) Bengaluru (Karnataka)
- (i) Chennai (Tamilnadu)
- (j) Pithampur (Madhya Pradesh)
- (k) Pune (Maharashtra)

**21. Address for correspondence:**

The Shareholders may address their communication / grievances / queries / suggestions to:

KFin Technologies Limited  
(Unit – Motherson Sumi Wiring India 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

Company Secretary  
Motherson Sumi Wiring India Limited  
11th floor, Plot No. -1, Sector – 127  
Noida – 201301 (U.P.)  
Phone No. : 0120 -6679500  
E-mail: investorrelations@mswil.motherson.com  
Website : [www.mswil.motherson.com](http://www.mswil.motherson.com)

**22.** 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.

**23.** 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.

**24.** Weblink where policy on dealing with related party transactions: [www.mswil.motherson.com](http://www.mswil.motherson.com)

**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 Motherson Sumi Wiring India Limited

Place : Noida  
Date : July 4, 2022

Anurag Gahlot  
Whole-time Director & Chief Operating Officer

### 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 Motherson Sumi Wiring India Limited

Unit 705, C Wing, ONE BKC,  
G Block, Bandra Kurla Complex,  
Bandra East Mumbai- 400051

1. The Corporate Governance Report prepared by Motherson Sumi Wiring India 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.

6. 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.
7. 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:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. 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;
  - iii. 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 as on March 31, 2022;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 01, 2021 to March 31, 2022:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
    - (d) Independent Directors Meeting;
    - (e) Corporate Social Responsibility Committee
  - 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

## DIVIDEND DISTRIBUTION POLICY

### MOTHERSON SUMI WIRING INDIA LIMITED

Adopted by the Board of Directors on January 28, 2022

Regd. Office: Unit 705, C Wing, ONE BKC,G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400051, India  
CIN: U29306MH2020PLC341326

Email: investorrelations@mswil.motherson.com; Website: www.mswil.motherson.com

### DIVIDEND DISTRIBUTION POLICY

#### 1. Scope and Purpose

- 1.1 This Dividend Distribution Policy (“**Policy**”) defines parameters / factors to be considered by the board of directors of Motherson Sumi Wiring India Limited (“**Company**”) (“**Board**”) for declaring or recommending a dividend while balancing the need of the Company for utilizing its retained earnings for the Company’s growth and sustainability.
- 1.2 The Board will declare or recommend any interim / final dividend based on the Policy, the Companies Act, 2013 and rules, regulations, circulars or guidelines made thereunder, in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) or any other law, rules or regulations as may be applicable (“**Applicable Laws**”), articles of association of the Company as amended from time to time and as well as any specific financial or market conditions prevailing at the time of declaring or recommending the dividend.
- 1.3 Subject to the para 1.1 and 1.2 above, the Board will adhere to the Policy for “distribution of up to 40% of 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 the shareholders while supporting the future growth of the Company.

#### 2. Dividend Policy

- 2.1 Dividend Distribution Philosophy  
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

The Company shall comply with relevant statutory requirements that are applicable to the Company in declaring or recommending 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 or Recommending Dividend

2.3.1 Subject to provisions of the Applicable Laws, 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 paragraph 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 or Recommendation of Dividend

When determining / recommending / declaring the dividend, the company will consider, amongst other matters:

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: 22091813AMEZQ1508

Place of Signature: Gurugram

Date: July 04, 2022

**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  
Motherson Sumi Wiring India 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 Motherson Sumi Wiring India Limited having CIN L29306MH2020PLC341326 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	02/07/2020
2.	Mr. Laksh Vaaman Sehgal	00048584	02/07/2020
3.	Mr. Arjun Puri	00211590	28/01/2022
4.	Ms. Geeta Mathur	02139552	28/01/2022
5.	Mr. Anupam Mohindroo	06544719	28/01/2022
6.	Mr. Virendra Chandra katoch	08452183	28/01/2022
7.	Mr. Norikatsu Ishida	09443998	28/01/2022
8.	Mr. Anurag Gahlot	09455743	28/01/2022
9.	Mr. Rajesh Kumar Seth	09477684	28/01/2022
10.	Mr. Yoshio Matsushita	09480897	28/01/2022

Ensuring the eligibility of 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  
ICSI PR: 1194/2021  
ICSI UDIN: F002411D000556965

Place : New Delhi  
Date : 02-07-2022

- 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

The utilization of retained earnings will include:

- Inorganic / organic growth
- Diversification opportunities / capital expenditure
- Fund based requirement of the 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 Applicable Laws

#### 2.6 Provisions with Regard to Various Classes of Shares

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**

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 on the website of the Company, i.e., www.mswil.motherson.com.

### 4. **Limitation**

In the event of any conflict between the Applicable Laws and the provisions of the policy, the Applicable Laws shall prevail over this Policy. Any subsequent amendment / modification in the Applicable Laws, in this regard, shall automatically apply to the Policy.

### 5. **Disclaimer**

- The Policy does not constitute a commitment regarding future dividends of the Company, but only represents a general guidance regarding payment of dividend.
- The statement of the policy does not in any way restrict right of the Board to use its discretion in the recommendation or declaration 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.
- Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

For any clarification / doubt concerning this Policy please feel free to contact Group General Counsel's Office by sending an Email at gco\_policyquery@motherson.com. Any such email should contain "Motherson Group Dividend Distribution Policy" in the subject line.



# INDEPENDENT AUDITOR'S REPORT

**To the Members of Motherson Sumi Wiring India Limited**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Motherson Sumi Wiring India 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 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 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 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 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 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 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 financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Accounting for demerger of Domestic Wiring Harness business into Company</b> (as described in Note 45 of the financial statements)	
Domestic Wiring Harness (DWH) business of Samvardhana Motherson International Limited (erstwhile Motherson Sumi Systems Limited or SAMIL) has demerged into the Company pursuant to the Composite Scheme of Arrangement ("the Scheme") approved by the Hon'ble National Company Law Tribunal, Mumbai bench, vide its order dated December 22, 2021 and the aforesaid order has been filed with the Registrar of Companies ('ROC') on January 5, 2022.	Our audit procedures included following: a. Read and assessed the final Scheme and the final order passed by the NCLT and submitted with the ROC b. Obtained an understanding and assessed the effectiveness of process followed by the management for recording the accounting treatment prescribed in the Scheme; c. Evaluated appropriateness of the accounting treatment followed by the management considering accounting principles prescribed in the Scheme and the requirements of the applicable accounting standards.

Key audit matters	How our audit addressed the key audit matter
The demerger has a significant impact on assets, liabilities, income, expense and reserves shown in the financial statements of the Company. Considering the requirements of the accounting treatment prescribed in the Scheme and the applicable accounting standards, the Company has given effect to demerger transaction from the date of its incorporation which has resulted in a change to comparative figures for the year ended March 31, 2021. Accordingly, accounting for some of these elements involve allocation of common cost between the business demerged by SAMIL to the Company and the business retained by the SAMIL on a reasonable basis. Due to the above, demerger is a peculiar transaction and considering its impact on the financial statements and judgment involved, the same is considered as a key audit matter.	d. Obtained and tested the management's working for arriving at the balances of assets and liabilities of the demerged undertaking and treatment of reserves as per the Scheme; e. Obtained an understanding and tested the reasonableness of common cost allocation between the company and SAMIL and f. Evaluated the adequacy of presentation and disclosures made with respect to the accounting of the demerger transaction as per the Scheme in the financial statements.
<b>De-Recognition of trade receivables under factoring facilities</b> (as described in Note 5 of the financial statements)	
The Company enters into non-recourse factoring arrangements for its trade receivables with various banks/financial institutions. As at March 31, 2022 the Company had factoring facilities in place for trade receivables amounting to INR 670 million were de- recognized by using these facilities. The Company derecognizes the receivables from its books if it has transferred the rights to receive cash flows from the asset and transferred substantially all the risks and rewards of ownership of the financial asset (i.e. receivables). The assessment of de-recognition of trade receivables under the factoring facilities is complex and requires significant judgement applied by the management as each factoring arrangement is unique in form and have different terms and conditions. Accordingly, the matter has been identified as Key Audit Matter.	Our audit procedures included the following: a. Obtained an understanding of the process related to de- recognition of trade receivables b. Evaluated the assessment made by management on the de-recognition criteria basis which receivables were de-recognised by the Company; c. Read and assessed the adequacy of disclosure made in the financial statements.

### 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 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 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 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the 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 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 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 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 financial statements – Refer Note 39 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were 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 47 (v) to the 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 47 (vi) to the 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. As stated in note 35 to the 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: 22091813AJRVIP3366

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: Motherson Sumi Wiring India Limited (the "Company")**

**In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the 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 not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a) (B) of the Order is not applicable to the Company.
- (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) Lease agreements in respect of buildings (19 properties) included in Right-of-use assets

where the Company is lessee, as disclosed in note 3(b) to the financial statements are in process of getting it executed in favour of the Company.

- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use 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) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (iii) (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(iii) (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(iii) (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to 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 service tax and excise duty have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (INR million) *	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 **	Excise	0	A.Y. 2011-12	CESTAT
Finance Act, 1994	Service tax	6	A.Y. 2010-11	Additional Commissioner

\* 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 if any 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) Terms loans were applied for the purpose for which the loans were obtained.

(ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(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 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 financial year. In the immediately preceding financial year, there were cash losses amounting to Rs. 4.11 million before considering the impact of demerger accounting as per NCLT order. However, after considering impact of demerger accounting as per note 45, the said cash losses are no longer existing.

(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 40 to the 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) Since the Company doesn't satisfy any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 during the immediately preceding financial year, thus there was no requirement for the Company to spend any amount on CSR activities during the year ended March 31, 2022. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For **Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 22091813AJRVIP3366

Place of Signature: Noida

Date: May 26, 2022

## **ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOTHERSON SUMI WIRING INDIA 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 financial statements of Motherson Sumi Wiring India Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the 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 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 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 financial statements

and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 financial statements.

#### **Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company’s internal financial controls with reference to 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 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 Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to 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: 22091813AJRVIP3366

Place of Signature: Noida

Date: May 26, 2022

(All amounts in INR Million, unless otherwise stated)

## BALANCE SHEET

	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)	1,789	1,559
Right-of-use assets	3(b)	2,532	138
Capital work in progress	3(a)	323	1
Financial assets			
i. Loans	4	33	26
ii. Other financial assets	6	319	82
Deferred tax assets (net)	8	403	259
Other non-current assets	7	155	151
Non-current tax assets (net)	19	336	0
<b>Total non-current assets</b>		<b>5,890</b>	<b>2,216</b>
<b>Current assets</b>			
Inventories	9	9,600	7,986
Financial assets			
i. Trade receivables	5	6,593	6,749
ii. Cash and cash equivalents	10	2,933	373
iii. Loans	4	10	12
iv. Other financial assets	6	75	103
Other current assets	7	516	455
<b>Total current assets</b>		<b>19,727</b>	<b>15,678</b>
<b>Total assets</b>		<b>25,617</b>	<b>17,894</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	3,158	1
<b>Other equity</b>			
Reserves and surplus	12(a)	7,988	(4)
Share suspense	12(b)	-	7,100
<b>Total equity</b>		<b>11,146</b>	<b>7,097</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial Liabilities			
i. Borrowings	13(a)	-	139
i (a). Lease liabilities	42	2,097	100
ii. Other financial liabilities	14	89	75
Employee benefit obligations	17	167	211
Government grants	18	167	222
<b>Total non-current liabilities</b>		<b>2,520</b>	<b>747</b>

(All amounts in INR Million, unless otherwise stated)

	Notes	As At March 31, 2022	As At March 31, 2021
<b>Current liabilities</b>			
Financial Liabilities			
i. Borrowings	13(b)	193	679
i (a). Lease liabilities	42	538	45
ii. Trade payables			
Total outstanding dues of micro and small enterprises and	15	106	112
Total outstanding dues of creditors other than micro and small enterprises	15	9,023	7,404
iii. Other financial liabilities	14	925	831
Provisions	16	12	8
Employee benefit obligations	17	558	494
Government grants	18	16	30
Other current liabilities	20	580	447
<b>Total current liabilities</b>		<b>11,951</b>	<b>10,050</b>
<b>Total liabilities</b>		<b>14,471</b>	<b>10,797</b>
<b>Total equity and liabilities</b>		<b>25,617</b>	<b>17,894</b>
Summary of significant accounting policies	2		

This is the 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 balance sheet should be read in conjunction with the accompanying notes

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman  
DIN: 00291126  
Place: Mumbai  
Date: May 26, 2022

**G.N. GAUBA**  
Chief Financial Officer  
Place: Noida  
Date: May 26, 2022

**ANURAG GAHLOT**  
Whole-time Director/  
Chief Operating Officer  
DIN: 09455743  
Place: Mumbai  
Date: May 26, 2022

**POOJA MEHRA**  
Company Secretary  
Place: Noida  
Date: May 26, 2022

(All amounts in INR Million, unless otherwise stated)

## STATEMENT OF PROFIT AND LOSS

	Notes	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
<b>Revenue</b>			
Revenue from contract with customers	21 (a)	55,872	39,186
Other operating revenue	21 (b)	478	191
<b>Total revenue from operations</b>		<b>56,350</b>	<b>39,377</b>
Other income	22	300	236
<b>Total income</b>		<b>56,650</b>	<b>39,613</b>
<b>Expenses</b>			
Cost of materials consumed	23	37,082	25,356
Changes in inventory of finished goods and work-in-progress	24	(989)	(245)
Employee benefits expense	25	9,464	6,535
Depreciation expense	28	1,055	374
Finance costs	27	285	73
Other expenses	26	3,490	2,200
<b>Total expenses</b>		<b>50,387</b>	<b>34,293</b>
<b>Profit before exceptional items and tax</b>		<b>6,263</b>	<b>5,320</b>
Exceptional income / (expenses)	46	(654)	-
<b>Profit before tax</b>		<b>5,609</b>	<b>5,320</b>
<b>Tax expenses</b>	29		
-Current tax		1,626	1,143
-Deferred tax expense/ (credit)		(124)	215
<b>Total tax expense</b>		<b>1,502</b>	<b>1,358</b>
<b>Profit for the year</b>		<b>4,107</b>	<b>3,962</b>
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss</b>			
Remeasurements of employment benefit obligations		(78)	18
Deferred tax on remeasurements of employment benefit obligations		20	(4)
<b>Total comprehensive income for the year, net of tax</b>		<b>4,049</b>	<b>3,976</b>
<b>Earnings per share</b>	30		
Nominal value per share: INR 1/- (Previous year : INR 1/-)			

(All amounts in INR Million, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
<b>Earnings per share</b>			
Basic and Diluted (INR)		1.30	1.25
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 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  
  
DIN: 00291126  
Place: Mumbai  
Date: May 26, 2022

**G.N. GAUBA**  
Chief Financial Officer  
  
Place: Noida  
Date: May 26, 2022

**ANURAG GAHLOT**  
Whole-time Director/  
Chief Operating Officer  
DIN: 09455743  
Place: Mumbai  
Date: May 26, 2022

**POOJA MEHRA**  
Company Secretary  
  
Place: Noida  
Date: May 26, 2022

(All amounts in INR Million, unless otherwise stated)

## STATEMENT OF CHANGES IN EQUITY

### A. Equity share capital

	Notes	Amount
As at July 02, 2020		-
Changes in equity share capital due to prior period errors		-
<b>Restated balance at July 02, 2020</b>		-
Issue of equity share capital	11	1
<b>As at March 31, 2021</b>		<b>1</b>
Issued pursuant to Composite Scheme (refer note 45)	11	3,158
Cancellation pursuant to Composite Scheme (refer note 45)	11	(1)
<b>As at March 31, 2022</b>		<b>3,158</b>

### B. Other equity

	Notes	Reserves and surplus		Share suspense	Total
		Capital Reserve	Retained Earnings		
Balance as at July 02, 2020		-	-	-	-
Transferred pursuant to Composite Scheme (refer note 45)		-	-	3,120	3,120
Profit / (loss) for the period		-	(4)	3,966	3,962
Other comprehensive income		-	-	14	14
<b>Total comprehensive income for the period</b>		-	<b>(4)</b>	<b>3,980</b>	<b>3,976</b>
<b>Balance at March 31, 2021</b>		-	<b>(4)</b>	<b>7,100</b>	<b>7,096</b>
Profit for the year		-	4,107	-	4,107
Other comprehensive income		-	(58)	-	(58)
<b>Total comprehensive income for the year</b>		-	<b>4,049</b>	-	<b>4,049</b>
<b>Effect of Composite Scheme: (refer note 45)</b>					
Issue of equity shares		-	-	(3,158)	(3,158)
Transferred to Capital reserve		-	-	(3,942)	(3,942)
Transferred from Share suspense	12(a)	3,942	-	-	3,942
Cancellation of equity share capital		1	-	-	1
<b>Balance at March 31, 2022</b>		<b>3,943</b>	<b>4,045</b>	-	<b>7,988</b>
Summary of significant accounting policies	2				

The above statement of changes in equity 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

Place: Noida  
Date: May 26, 2022

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

DIN: 00291126  
Place: Mumbai  
Date: May 26, 2022

**G.N. GAUBA**  
Chief Financial Officer

Place: Noida  
Date: May 26, 2022

**ANURAG GAHLOT**  
Whole-time Director/  
Chief Operating Officer  
DIN: 09455743  
Place: Mumbai  
Date: May 26, 2022

**POOJA MEHRA**  
Company Secretary

Place: Noida  
Date: May 26, 2022

(All amounts in INR Million, unless otherwise stated)

## CASH FLOW STATEMENT

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
<b>A. Cash flow from operating activities:</b>		
Profit before tax and exceptional items	6,263	5,320
<b>Adjustments for:</b>		
Depreciation expense	1,055	374
Amortisation of government grant	(40)	(24)
Gain on disposal of property, plant and equipment (net)	(2)	(5)
Liabilities written back to the extent no longer required	-	(3)
Bad debts/ advances written off	0	0
Interest income	(18)	(2)
Finance cost	285	73
Unrealised foreign exchange gain (net)	37	(23)
<b>Operating profit before working capital changes</b>	<b>7,580</b>	<b>5,710</b>
<b>Change in working Capital:</b>		
Increase/ (decrease) in trade payables	1,576	2,726
Increase/ (decrease) in other payables	50	(455)
Increase/ (decrease) in other financial liabilities	78	(111)
(Increase)/ decrease in trade receivables	156	(5,932)
(Increase)/ decrease in inventories	(1,614)	(734)
(Increase)/ decrease in other financial assets	(214)	(10)
(Increase)/ decrease in other receivables	11	62
<b>Cash generated from operations</b>	<b>7,623</b>	<b>1,256</b>
Income taxes paid (net)	(1,962)	(1,142)
<b>Net cash generated from operations</b>	<b>5,661</b>	<b>114</b>
Exceptional (expense)/ income	(654)	-
<b>Net cash flows from operating activities</b>	<b>5,007</b>	<b>114</b>
<b>B. Cash flow from Investing activities:</b>		
Payments for property, plant and equipment (including capital work in progress)	(1,014)	(365)
Proceeds from sale of property, plant and equipment	6	84
<b>Net cash used in investing activities</b>	<b>(1,008)</b>	<b>(281)</b>



(All amounts in INR Million, unless otherwise stated)

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
<b>C. Cash flow from financing activities:</b>		
Proceeds from issues of shares	-	1
Interest paid	(310)	(43)
Proceeds from short term borrowings	-	679
Repayment of long term borrowings	-	(314)
Repayment of short term borrowings	(679)	-
Payment of lease liabilities	(450)	(73)
<b>Net cash generated from / (used in) financing activities</b>	<b>(1,439)</b>	<b>250</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>2,560</b>	<b>83</b>
<b>Net Cash and Cash equivalents at the beginning of the year</b>	<b>373</b>	<b>290</b>
<b>Cash and cash equivalents as at year end</b>	<b>2,933</b>	<b>373</b>
<b>Cash and cash equivalents comprise of the following (refer note 10)</b>		
Cash on hand	5	5
Balances with banks	2,928	368
<b>Cash and cash equivalents as at year end</b>	<b>2,933</b>	<b>373</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.
- Net Cash and Cash equivalents at the beginning of the year for the period ended from July 02, 2020 to March 31, 2021 is in relation to transferred pursuant to the Composite scheme

This is the Cash Flow Statement 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 cash flow statement should be read in conjunction with the accompanying notes

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman  
DIN: 00291126  
Place: Mumbai  
Date: May 26, 2022

**G.N. GAUBA**  
Chief Financial Officer  
Place: Noida  
Date: May 26, 2022

**ANURAG GAHLOT**  
Whole-time Director/  
Chief Operating Officer  
DIN: 09455743  
Place: Mumbai  
Date: May 26, 2022

**POOJA MEHRA**  
Company Secretary  
Place: Noida  
Date: May 26, 2022

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Corporate Information

Motherhood Sumi Wiring India Limited ("MSWIL" or "the Company") was incorporated on July 02, 2020 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 Company is a joint venture entity between Samvardhana Motherhood International Limited (erstwhile Motherhood Sumi Systems Limited) ("SAMIL") and Sumitomo Wiring Systems Limited, Japan.

The Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated December 22, 2021 has approved the Composite Scheme of Amalgamation and Arrangement ("the Scheme") between Samvardhana Motherhood International Limited (erstwhile Motherhood Sumi Systems Limited) ("SAMIL"), the Company, erstwhile Samvardhana Motherhood International Limited and their respective shareholders. The Scheme, among other things, entails demerger of Domestic Wiring Harness ("DWH") business from SAMIL into the Company. The Company has given effect to the aforesaid demerger as on December 31, 2021 in accordance with the accounting treatment prescribed in the Scheme and relevant accounting standards. Accordingly, all assets and liabilities of DWH business were transferred and vested into the Company at carrying values. Further, the Company has given effect to demerger transaction as per the accounting treatment prescribed in the Scheme and the applicable accounting standards which, among other matters, required restatement of Comparative financial from the date of its incorporation of the Company and thereby, resulting in a change to comparative figures during the period ended March 31, 2021.

As per the Scheme, 3,157,934,237 equity shares having face value of INR 1/- each was allotted by the Company in the ratio of 1 equity share of the Company of face value INR 1/- each for every 1 equity share of SAMIL of face value INR 1/- each to the shareholders of SAMIL as on January 19, 2022, being the record date fixed by the Company. The listing process for these allotted shares was duly completed by March 28, 2022.

The 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:

- Defined employee benefit plans – plan assets measured at fair value, refer note 17

The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

Since the Company was incorporated on July 02, 2020, hence the comparatives given in the statement of profit and loss and cash flow statement is for the period July 02, 2020 to March 31, 2021.

### (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 (INR) and the financial statements are presented in Indian Rupee (INR).

- (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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### (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 goods

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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) 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.

#### (ii) 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.

#### 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 5.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

### 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.

### 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, security deposit, prepayment etc.) but does not consider the expected credit losses.

#### Duty drawback and export incentives

Income from duty drawback and export incentives is recognized on an accrual basis.

### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### (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

## NOTES TO THE FINANCIAL STATEMENTS

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 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 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.

### (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

## NOTES TO THE FINANCIAL STATEMENTS

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 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.

### (l) 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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:

- 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

## NOTES TO THE FINANCIAL STATEMENTS

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.

## NOTES TO THE FINANCIAL STATEMENTS

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Loans and borrowings

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.

### 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.

### (m) Fair value measurement

The Company measures financial instruments 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

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

- 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.

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 (refer note 2.2 and 32)
- Quantitative disclosures of fair value measurement hierarchy (refer note 32)
- Financial instruments (including those carried at amortised cost) (refer note 4, 5, 6, 10, 13, 14, 15 and 32)

### (n) 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.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful lives (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
Lease hold improvement	Over the period of lease

\*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.

### (o) 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.

### (p) 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.



## NOTES TO THE FINANCIAL STATEMENTS

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.

## (q) 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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 as well as accordance with the rules of the Company. 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 contribution by SAMIL into Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded. The said fund is currently under process of transfer from SAMIL's LIC fund as a part of the Composite Scheme. The balance is derived based on the employee transferred to the Company from SAMIL (refer note 17).

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.

## (r) 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.

## (s) 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 shares issued under Composite Scheme, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

## NOTES TO THE FINANCIAL STATEMENTS

### (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.

For the purpose of calculating earnings per share (Basic and Diluted) for the period presented in the financial statement are calculated after considering the impact of issuance of equity shares, as stated in note 45, from the date of incorporation of the Company (July 02, 2020) i.e. the date from which the results of demerged business have been included in the financial statements.

### 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 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)

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### (i) Useful life of property, plant and equipment and intangible

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 17

### (iii) 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 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

### (iv) 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.

### 3(a) Property, plant and equipment

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in INR Million, unless otherwise stated)

Particulars	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total	Capital work in progress
<b>Period ended March 31, 2021</b>							
<b>Gross carrying amount</b>							
As at July 02, 2020	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (refer note 45)	3,259	26	77	220	9	3,591	3
Additions	349	1	3	32	2	387	1
Disposals	(106)	-	(1)	(2)	-	(109)	-
Transfer	3	-	-	-	-	3	(3)
<b>Closing gross carrying amount</b>	<b>3,505</b>	<b>27</b>	<b>79</b>	<b>250</b>	<b>11</b>	<b>3,872</b>	<b>1</b>
<b>Accumulated depreciation</b>							
As at July 02, 2020	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (refer note 45)	1,771	17	43	174	6	2,011	-
Depreciation charge during the period	261	17	15	30	6	329	-
Disposals	(7)	(14)	(4)	2	(4)	(27)	-
<b>Closing accumulated depreciation</b>	<b>2,025</b>	<b>20</b>	<b>54</b>	<b>206</b>	<b>8</b>	<b>2,313</b>	<b>-</b>
<b>Net carrying amount</b>	<b>1,480</b>	<b>7</b>	<b>25</b>	<b>44</b>	<b>3</b>	<b>1,559</b>	<b>1</b>
<b>Year ended March 31, 2022</b>							
<b>Gross carrying amount</b>							
As at April 01, 2021	3,505	27	79	250	11	3,872	1
Additions	552	1	5	46	7	611	370
Disposals	(36)	-	(1)	(1)	(2)	(40)	-
Transfer	48	-	-	-	-	48	(48)
<b>Closing gross carrying amount</b>	<b>4,069</b>	<b>28</b>	<b>83</b>	<b>295</b>	<b>16</b>	<b>4,491</b>	<b>323</b>

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in INR Million, unless otherwise stated)

Particulars	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total	Capital work in progress
<b>Accumulated depreciation</b>							
As at April 01, 2021	2,025	20	54	206	8	2,313	-
Depreciation charge during the year	374	3	11	34	2	424	-
Disposals	(32)	-	(1)	(1)	(1)	(35)	-
<b>Closing accumulated depreciation</b>	<b>2,367</b>	<b>23</b>	<b>64</b>	<b>239</b>	<b>9</b>	<b>2,702</b>	<b>-</b>
<b>Net carrying amount</b>	<b>1,702</b>	<b>5</b>	<b>19</b>	<b>56</b>	<b>7</b>	<b>1,789</b>	<b>323</b>

### Capital work in progress (CWIP) Ageing Schedule as at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
- Projects in progress	323	-	-	-	323
- Projects temporarily suspended	-	-	-	-	-
<b>Capital work in progress (CWIP) Ageing Schedule as at March 31, 2021</b>					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
- Projects in progress	1	-	-	-	1
- 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.

- Contractual obligations: Refer to note 38 for disclosure on contractual commitments for the acquisition of property, plant and equipment.
- Capital work-in-progress: Capital work-in-progress mainly comprise building, plant & machinery, and furniture.

(All amounts in INR Million, unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS****3(b) Right-of-use assets**

Particulars	Land	Buildings	Vehicles	Total
<b>Period ended March 31, 2021</b>				
<b>Gross carrying amount</b>				
As at July 02, 2020	-	-	-	-
Transferred pursuant to Composite Scheme (refer note 45)	-	-	265	265
Additions	-	-	15	15
Disposals	-	-	(2)	(2)
<b>Closing gross carrying amount</b>	<b>-</b>	<b>-</b>	<b>278</b>	<b>278</b>
<b>Accumulated depreciation</b>				
As at July 02, 2020	-	-	-	-
Transferred pursuant to Composite Scheme (refer note 45)	-	-	113	113
Depreciation charge during the year	-	-	27	27
Disposals	-	-	0	0
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-</b>	<b>140</b>	<b>140</b>
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>138</b>	<b>138</b>
<b>Year ended March 31, 2022</b>				
<b>Gross carrying amount</b>				
<b>As at April 01, 2021</b>	<b>-</b>	<b>-</b>	<b>278</b>	<b>278</b>
Pursuant to Composite Scheme (refer note 45)	9	247	-	256
Additions <sup>1</sup>	-	2,764	91	2,855
Disposals	-	-	(66)	(66)
<b>Closing gross carrying amount</b>	<b>9</b>	<b>3,011</b>	<b>303</b>	<b>3,323</b>
<b>Accumulated depreciation</b>				
<b>As at April 01, 2021</b>	<b>-</b>	<b>-</b>	<b>140</b>	<b>140</b>
Pursuant to Composite Scheme (refer note 45)	1	63	-	64
Depreciation charge during the year	0	572	39	611
Disposals	-	-	(24)	(24)
<b>Closing accumulated depreciation</b>	<b>1</b>	<b>635</b>	<b>155</b>	<b>791</b>
<b>Net carrying amount</b>	<b>8</b>	<b>2,376</b>	<b>148</b>	<b>2,532</b>

<sup>1</sup> Additions in respect of building leases arrangement with SAMIL for 19 properties consequent to the approval of Composite Scheme where the lease agreements are in the process of being executing in the favour of Company as at March 31, 2022.

**4 Loans**

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Loans to employees	10	33	12	26
<b>Total</b>	<b>10</b>	<b>33</b>	<b>12</b>	<b>26</b>

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

(All amounts in INR Million, unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS****5 Trade receivables**

	March 31, 2022	March 31, 2021
Unsecured, considered good		
- from related parties <sup>1</sup> (refer note 36)	262	167
- others	6,331	6,582
Unsecured, credit impaired	0	0
	<b>6,593</b>	<b>6,749</b>
Less: Allowances for credit loss		
Unsecured, credit impaired	0	0
<b>Total</b>	<b>6,593</b>	<b>6,749</b>
<sup>1</sup> Includes receivables from private companies in which Director of the Company is also a Director	29	47

Note 1: The Company has derecognised trade receivables amounting INR 670 million (March 31, 2021: INR 512 million) as it had transferred the contractual right and substantially transferred all risks and rewards of ownership of these receivables to various financial institutions and there is no significant continuing involvement.

**Trade receivables ageing schedule:**

Undisputed	Trade Receivables - Considered good		Trade Receivables - Credit impaired	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current but not due	5,887	6,427	-	-
Outstanding for followings periods from due date of payment				
Less than 6 months	630	296	-	-
6 months - 1 year	56	7	-	-
1-2 years	11	13	-	-
2-3 years	9	6	-	-
More than 3 years	-	-	0	0
<b>Total</b>	<b>6,593</b>	<b>6,749</b>	<b>0</b>	<b>0</b>

As at 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.

**6 Other financial assets**

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Security deposits <sup>1</sup>	48	319	103	82
Others	27	-	0	-
<b>Total</b>	<b>75</b>	<b>319</b>	<b>103</b>	<b>82</b>
<sup>1</sup> Includes security deposit given to a partnership firm namely M/S Motherson in which Director of the Company is Partner	8		8	

(All amounts in INR Million, unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS****7 Other assets**

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good, unless otherwise stated</b>				
Capital advances	-	75	-	8
Advances recoverable	111	-	48	-
Prepaid expenses	24	1	25	37
Balances with government authorities	355	-	356	-
Subsidy receivable	26	79	26	106
<b>Total</b>	<b>516</b>	<b>155</b>	<b>455</b>	<b>151</b>

**8 Deferred tax assets (net)**

	March 31, 2022	March 31, 2021
<b>Deferred tax assets</b>		
Provision for employee benefit obligations	183	177
Provision for doubtful debts	0	0
Government grants	19	18
Property, plant and equipment and net of Right-of-use assets & lease liability	125	64
Others	76	-
<b>Total</b>	<b>403</b>	<b>259</b>

**Movement in Deferred tax assets**

	Property, plant and equipments and net of Right-of-use assets & lease liability	Provision for employee benefits	Provisions for doubtful debts and advances	Government grants	Others	Total
<b>At July 02, 2020</b>	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (refer note 45)	63	169	0	23	223	478
<b>(Charged)/ credited:</b>						
to profit or loss	1	12	-	(5)	(223)	(215)
to other comprehensive income	-	(4)	-	-	-	(4)
<b>At March 31, 2021</b>	<b>64</b>	<b>177</b>	<b>0</b>	<b>18</b>	<b>-</b>	<b>259</b>
<b>(Charged)/ credited:</b>						
to profit or loss	61	(14)	0	1	76	124
to other comprehensive income	-	20	-	-	-	20
<b>At March 31, 2022</b>	<b>125</b>	<b>183</b>	<b>0</b>	<b>19</b>	<b>76</b>	<b>403</b>

(All amounts in INR Million, unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS****9 Inventories**

	March 31, 2022	March 31, 2021
Raw materials	6,646	6,021
Work-in-progress	1,760	1,247
Finished goods	1,194	718
<b>Total</b>	<b>9,600</b>	<b>7,986</b>
Inventory include inventory in transit of:		
Raw materials	1,191	1,348
Finished goods	288	223

**10 Cash and cash equivalents \***

	March 31, 2022	March 31, 2021
Balances with banks:		
- on current accounts	928	368
- Deposits with original maturity of less than three months	2,000	-
Cash on hand	5	5
<b>Total</b>	<b>2,933</b>	<b>373</b>

\* There are no repatriation restrictions with regards to cash and cash equivalents as at March 31, 2022 and March 31, 2021.

**Changes in liabilities arising from financing activities**

	March 31, 2021	Cash Flow	Non cash		March 31, 2022
			Fair value changes	Other non cash items*	
Non current borrowings	139	-	-	(139)	-
Current borrowings	679	(679)	-	193	193
Lease liabilities	145	(653)	-	3,143	2,635
<b>Total liabilities from financing activities</b>	<b>963</b>	<b>(1,332)</b>	<b>-</b>	<b>3,197</b>	<b>2,828</b>

\*other non cash items includes new leases taken or termination of lease contracts in case of lease liabilities.

**11 Share Capital**

	March 31, 2022	March 31, 2021
<b>Authorised Share Capital</b>		
3,330,000,000 (March 31, 2021 : 330,000,000) Equity shares of INR 1 each	3,330	330
<b>Issued, subscribed and Paid up:</b>		
3,157,934,237 (March 31, 2021 : 500,000) Equity shares of INR 1 each	3,158	1

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### a. Movement in equity share capital

	Numbers	Amount
As at July 02, 2020	-	-
Add: issued during the period	500,000	1
<b>As at March 31, 2021</b>	<b>500,000</b>	<b>1</b>
Add: Issued pursuant to composite scheme (refer note 45)	3,157,934,237	3,158
Less: Cancellation pursuant to Composite Scheme	(500,000)	(1)
<b>As at March 31, 2022</b>	<b>3,157,934,237</b>	<b>3,158</b>

### b. Rights, preferences and restrictions attached to shares

#### Equity Shares:

The Company has only one class of equity shares having a par value of INR 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. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	March 31, 2022		March 31, 2021	
	Nos.	%	Nos.	%
<b>Equity shares:</b>				
Samvardhana Motherson International Limited ("SAMIL"), (formerly known as Motherson Sumi Systems Limited)	1,055,750,653	33.43%	500,000	100%
Sumitomo Wiring Systems Limited	792,637,291	25.10%	-	-

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.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### d. Details of shares held by promoters and promoters group

#### Equity shares of INR 1 each fully paid as at March 31, 2022

Promoter Name	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>Promoters:</b>					
Vivek Chaand Sehgal	-	73,165,402	73,165,402	2.32%	100.00%
Laksh Vaaman Sehgal	-	123	123	0.00%	100.00%
Samvardhana Motherson International Limited ("SAMIL"), (formerly known as Motherson Sumi Systems Limited)	500,000*	1,055,750,653	1,055,750,653	33.43%	211150.13%
Sumitomo Wiring Systems Limited	-	792,637,291	792,637,291	25.10%	100.00%
<b>Promoters Group:</b>					
Geeta Soni	-	8,610,328	8,610,328	0.27%	100.00%
Renu Sehgal	-	150,085	150,085	0.00%	100.00%
Nilu Mehra	-	7,869,690	7,869,690	0.25%	100.00%
H.K. Wiring Systems, Limited	-	7,660,351	7,660,351	0.24%	100.00%
Radha Rani Holdings Pte Ltd	-	3,442,623	3,442,623	0.11%	100.00%

\* As per the Composite Scheme, the Company has cancelled 500,000 equity shares held by SAMIL and 3,157,934,237 equity shares having face value of INR 1/- each has allotted in the ratio of 1 equity share of the Company of face value INR 1/- each for every 1 equity share of SAMIL of face value INR 1/- each to the shareholders of SAMIL as on January 19, 2022, being the record date fixed by the Company.

#### Equity shares of INR 1 each fully paid as at March 31, 2021

Promoter Name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of Total Shares	% change during the period
Samvardhana Motherson International Limited ("SAMIL"), (formerly known as Motherson Sumi Systems Limited)	-	500,000	500,000	100.00%	100.00%

### 12 (a) Reserves and surplus

	March 31, 2022	March 31, 2021
Capital reserve	3,943	-
Retained earnings	4,045	(4)
<b>Total reserves and surplus</b>	<b>7,988</b>	<b>(4)</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### (i) Capital reserve

	March 31, 2022	March 31, 2021
Opening balance	-	-
Transferred pursuant to Composite Scheme (refer note 45)	3,942	-
Cancellation of equity share capital pursuant to Composite Scheme (refer note 45)	1	-
<b>Closing balance</b>	<b>3,943</b>	<b>-</b>

### (ii) Retained earnings

	March 31, 2022	March 31, 2021
Opening balance	(4)	-
Additions during the year	4,107	(4)
Remeasurements of post-employment benefit obligation, net of tax	(58)	-
<b>Closing balance</b>	<b>4,045</b>	<b>(4)</b>

### 12 (b) Share Suspense

	March 31, 2022	March 31, 2021
Opening balance	7,100	-
Transfer pursuant to Composite Scheme (refer note 45)	-	3,120
Additions during the period	-	3,966
Remeasurements of post-employment benefit obligation, net of tax	-	14
Equity shares issued pursuant to composite scheme (refer note 45)	(3,158)	-
Transferred to Capital Reserve pursuant to the Composite Scheme (refer note 45)	(3,942)	-
<b>Closing balance</b>	<b>-</b>	<b>7,100</b>

#### Capital reserve

This reserve is created against the difference in the net assets transferred and issuance of equity share capital in effect to the Composite Scheme. The reserve will be utilised in accordance with the provisions of the Act.

#### Share Suspense

Share Suspense is created for the net assets transferred pursuant to the Composite Scheme against which equity shares has been issued and the balance has been transferred to Capital reserve.

### 13 (a) Non-current borrowings

	Non Current Portion	
	March 31, 2022	March 31, 2021
<b>Unsecured</b>		
Term Loans		
Indian rupee loan from other than banks	-	139
<b>Total</b>	<b>-</b>	<b>139</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### Terms of Repayment

Originally, SAMIL has obtained an interest free loan from Pradeshiya Industrial & Investment Corporation of U.P. Ltd. (PICUP) for setting up a business unit. The same unit has been transferred to the Company pursuant to the Composite Scheme. The Company has filled an application for the assignment of loan in its favour which is pending for approval at the balance sheet date.

Basis the Company will repay the same in next year, the same has been classified under the current borrowing as at March 31, 2022.

The Company has sanctioned working capital limit which are unsecured.

### 13 (b) Current borrowings

	March 31, 2022	March 31, 2021
<b>Unsecured</b>		
Working capital loans - other than banks		
Indian rupee loan <sup>1</sup>	-	675
Short term loan from related party		
Indian rupee loan <sup>2</sup>	-	4
Current maturities of long term borrowings		
Indian rupee loan (refer note 13(a))	193	-
<b>Total</b>	<b>193</b>	<b>679</b>

<sup>1</sup> Transferred pursuant to the Composite Scheme, carrying interest rate ranging from 4% to 8% p.a.

<sup>2</sup> Indian rupee loan is carrying interest rate @ 5.5% p.a for one year.

### 14 Other financial liabilities

	March 31, 2022	March 31, 2021
<b>Non-current</b>		
Retention money	2	3
Security deposit received	2	2
Recovery against Vehicle Loan	85	70
<b>Total</b>	<b>89</b>	<b>75</b>
<b>Current</b>		
Interest accrued but not due on borrowings	-	25
Payables relating purchase of property, plant & equipments	96	41
Security deposit received	0	0
Employee benefits payable	812	744
Recovery against Vehicle Loan	17	21
<b>Total</b>	<b>925</b>	<b>831</b>

There are no amounts which are to be transferred to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at March 31, 2022 and March 31, 2021.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 15 Trade payables

	March 31, 2022	March 31, 2021
Total outstanding dues of micro and small enterprises (refer note 44) and	106	112
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,413	3,329
Trade payable to related parties (refer note 36)	4,610	4,075
<b>Total</b>	<b>9,129</b>	<b>7,516</b>

#### Trade Payable Ageing Schedule:

Undisputed	Trade payable of micro enterprises and small enterprises		Trade payable of creditors other than micro enterprises and small enterprises	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current but not due	106	112	7,203	6,349
Outstanding for followings periods from due date of payment				
Less than 1 year	-	-	1,798	1,042
1-2 years	-	-	13	4
2-3 years	-	-	4	5
More than 3 years	-	-	5	4
<b>Total</b>	<b>106</b>	<b>112</b>	<b>9,023</b>	<b>7,404</b>

As at March 31, 2022 and March 31, 2021, there are no disputed trade payables.

### 16 Provisions

	March 31, 2022	March 31, 2021
For warranties	12	8
<b>Total</b>	<b>12</b>	<b>8</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.

The Company has following provisions in the books of account as at year end:

	Warranty	
	March 31, 2022	March 31, 2021
<b>Opening Balance</b>	<b>8</b>	<b>-</b>
Transferred pursuant to Composite Scheme (refer note 45)	-	7
Arising during the period	4	1
<b>Closing Balance</b>	<b>12</b>	<b>8</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 17 Employee benefit obligations

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Gratuity	393	-	357	-
Compensated absences	165	167	137	211
<b>Total</b>	<b>558</b>	<b>167</b>	<b>494</b>	<b>211</b>

The long term defined employee benefits and contribution schemes of the Company are as under:

#### A. Defined Benefit Schemes

##### Gratuity

Employees are entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service as per the principles laid down by the Company which is 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 gratuity plan in the Company funded through annual contribution by SAMIL to Life Insurance Corporation of India (LIC) under its Gratuity Scheme. 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 the Company and is expected to complete the process in the next year.

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

	March 31, 2022	March 31, 2021
<b>Obligations at year beginning</b>	1,005	-
Transferred pursuant to Composite Scheme (refer note 45)	-	964
Service Cost - Current	57	49
Interest expense	45	41
<b>Amount recognised in profit or loss</b>	<b>102</b>	<b>90</b>
<b>Remeasurements</b>		
Actuarial (gain)/ loss from change in financial assumption	99	(32)
Experience (gain)/loss	(21)	15
<b>Amount recognised in other comprehensive income</b>	<b>78</b>	<b>(17)</b>
Payment from plan:		
Benefit payments	(16)	(14)
Addition/ (deletion) due to transfer of employee	(331)	(18)
<b>Obligations at year end</b>	<b>838</b>	<b>1,005</b>



(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### (ii) Fair Value of Plan Assets

	March 31, 2022	March 31, 2021
<b>Plan assets at year beginning, at fair value</b>	<b>648</b>	-
Transfer pursuant to Composite Scheme (refer note 45)	-	616
Interest income	28	28
<b>Amount recognised in profit or loss</b>	<b>28</b>	<b>28</b>
<b>Remeasurements</b>		
Actuarial (gain)/ loss from change in financial assumption	(0)	1
Return on plan assets, excluding amount included in interest income		
<b>Amount recognised in other comprehensive income</b>	<b>(0)</b>	<b>1</b>
Payment from plan:		
Addition/ (deletion) due to transfer of employee	(231)	-
Contributions:		
Employers	-	3
<b>Plan assets at year end, at fair value</b>	<b>445</b>	<b>648</b>

### (iii) Assets and Liabilities recognized in the Balance Sheet

	March 31, 2022	March 31, 2021
Present Value of the defined benefit obligations	<b>838</b>	<b>1,005</b>
Fair value of the plan assets	445	648
<b>Amount recognized as Liability</b>	<b>393</b>	<b>357</b>

### (iv) Defined benefit obligations cost for the year:

	March 31, 2022	March 31, 2021
Service Cost - Current	57	49
Interest Cost (Net)	17	13
Reimbursement paid (refer note 31)	22	2
Actuarial (gain)/ loss	78	(18)
Net defined benefit obligations cost	<b>174</b>	<b>46</b>

### (v) Investment details of Plan Assets

The details of investments of plan assets are as follows:

	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

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

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:

	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 years:

	March 31, 2022	March 31, 2021
Defined benefit obligations	838	1,005
Plan assets	(445)	(648)
Deficit/(Surplus)	393	357

### (viii) Expected Contribution to the Fund in the next year

	For the year ended	
	March 31, 2022	March 31, 2021
Gratuity	455	429

### (ix) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

March 31, 2022	Change in Assumption	Impact	Increase in Assumption	Impact	Decrease in Assumption
Discount Rate per annum	0.50%	Decrease by	(34)	Increase by	37
Future salary increases	1.0%	Increase by	77	Decrease by	(68)

March 31, 2021	Change in Assumption	Impact	Increase in Assumption	Impact	Decrease in Assumption
Discount Rate per annum	0.50%	Decrease by	(41)	Increase by	44
Future salary increases	1.0%	Increase by	91	Decrease by	(80)

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.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### (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)

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>					
Defined benefit obligation (gratuity)	62	71	226	557	916
<b>March 31, 2021</b>					
Defined benefit obligation (gratuity)	72	61	276	641	1,050

### 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 25):

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Provident fund paid to the authorities	349	190
Employee state insurance paid to the authorities	66	38
Contribution to other funds (Employee welfare etc.)	1	-
	<b>416</b>	<b>228</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

- 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.

### 18 Government grants

	March 31, 2022	March 31, 2021
Opening balance	252	-
Transfer pursuant to Composite Scheme (refer note 45)	-	275
Addition / (deletion) during the period	(29)	1
Released to profit and loss (refer note 22)	(40)	(24)
<b>Closing balance</b>	<b>183</b>	<b>252</b>

	March 31, 2022	March 31, 2021
Current portion	16	30
Non-current portion	167	222
<b>Total</b>	<b>183</b>	<b>252</b>

Originally, SAMIL has received Government grants relating to the purchase of property, plant and equipment which is transferred to the Company pursuant to the Composite Scheme. The same has been presented as deferred income which is credited to profit or loss on a straight-line basis over the expected lives of the related assets.

### 19 Current tax liabilities/ Non-current tax assets (net)

	March 31, 2022	March 31, 2021
<b>Tax assets</b>		
Non-current tax assets (net)	336	0
<b>Tax liabilities</b>		
Current tax liabilities (net)	-	-
<b>Net tax liabilities/ (assets)</b>	<b>(336)</b>	<b>0</b>

### 20 Other current liabilities

	March 31, 2022	March 31, 2021
Statutory dues including provident fund and tax deducted at source	418	339
Advances received from customers	162	108
<b>Total</b>	<b>580</b>	<b>447</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 21 (a) Revenue from contract with customers

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Sales of products - Finished goods	55,603	38,851
Sale of services	269	335
<b>Total revenue from contract with customers</b>	<b>55,872</b>	<b>39,186</b>

Note: There is no material difference between the contract price and the revenue from contract with customers.

### 21 (b) Other operating revenue:

Scrap sales	171	118
Liabilities written back to the extent no longer required	-	3
Miscellaneous other operating income	307	70
<b>Total</b>	<b>478</b>	<b>191</b>

### 22 Other income

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Interest income from financial assets at amortised cost	18	2
Exchange fluctuation (net)	240	205
Gain on disposal of property, plant and equipment (net)	2	5
Government grants (refer note 18)	40	24
<b>Total</b>	<b>300</b>	<b>236</b>

### 23 Cost of materials consumed

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Opening stock of raw materials	4,673	5,002
Add : Purchases of raw materials	37,864	25,027
Less: Closing stock of raw materials	5,455	4,673
<b>Total</b>	<b>37,082</b>	<b>25,356</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 24 Changes in inventory of finished goods and work in progress

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
<b>(Increase)/ decrease in stocks</b>		
Stock at the opening of the year:		
Finished goods	718	828
Work-in-progress	1,247	892
<b>Total A</b>	<b>1,965</b>	<b>1,720</b>
Stock at the end of the year:		
Finished goods	1,194	718
Work-in-progress	1,760	1,247
<b>Total B</b>	<b>2,954</b>	<b>1,965</b>
<b>(Increase)/ decrease in stocks (A-B)</b>	<b>(989)</b>	<b>(245)</b>

### 25 Employee benefit expense

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Salary, wages & bonus	7,946	5,510
Contribution to provident & other fund (refer note 17)	416	228
Gratuity (refer note 17)	96	64
Staff welfare expenses	1,006	733
<b>Total</b>	<b>9,464</b>	<b>6,535</b>

Note: Above includes expenses reimbursed on shared basis (refer note 31)

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 26 Other expenses

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Electricity, water and fuel	228	158
Repairs and maintenance:		
Machinery	290	211
Building	361	239
Others	63	37
Consumption of stores and spare parts	358	246
Conversion charges	8	6
Lease rent (refer note 42)	132	111
Rates & taxes	16	16
Insurance	99	61
Travelling	127	170
Freight & forwarding	238	139
Royalty	335	214
Commission	34	32
Legal & professional expenses (Refer note (a) below)	455	339
Management fee	335	-
Miscellaneous expenses	411	221
<b>Total</b>	<b>3,490</b>	<b>2,200</b>

Note: Above includes expenses reimbursed on shared basis (refer note 31)

#### (a) Payment to auditors:

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
<b>As Auditor:</b>		
Audit fees	5	0
Other services	1	0
<b>Total</b>	<b>6</b>	<b>0</b>

Since the Company does not meet the prescribed criteria during the year, the provision of Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 is not applicable on the Company.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 27 Finance costs

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Interest on long term borrowings	30	30
Interest on lease liabilities (refer note 42)	203	10
Other finance costs	52	33
<b>Total</b>	<b>285</b>	<b>73</b>

Note: Above includes expenses reimbursed on shared basis (refer note 31)

### 28 Depreciation expense

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Depreciation on property, plant and equipment	424	329
Depreciation on right of use assets (refer note 42)	631	45
<b>Total</b>	<b>1,055</b>	<b>374</b>

Note: Above includes expenses reimbursed on shared basis (refer note 31)

### 29 Income tax expense

#### (a) Income tax expense

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
<b>Current tax</b>		
Current income tax charged	1,626	1,143
<b>Total current tax expense</b>	<b>1,626</b>	<b>1,143</b>
<b>Deferred tax (refer note 8)</b>		
Decrease/ (increase) in deferred tax assets (net)	(124)	215
<b>Total deferred tax expense / (benefit)</b>	<b>(124)</b>	<b>215</b>
<b>Income tax expense</b>	<b>1,502</b>	<b>1,358</b>
Income tax expense is attributable to:		
Profit from operations	1,502	1,358
	<b>1,502</b>	<b>1,358</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Profit before tax	5,609	5,320
<b>Tax at India's tax rate of 25.168% (March 2021: 25.168%)</b>	<b>1,412</b>	<b>1,339</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other adjustments	90	19
<b>Income tax expense of operations</b>	<b>1,502</b>	<b>1,358</b>

### 30 Earnings per share (refer note 45)

	March 31, 2022	March 31, 2021
<b>a) Basic</b>		
Net profit after tax available for equity Shareholders	4,107	3,962
Weighted average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
Basic earnings (in INR) per Share of INR 1 each. (March 31, 2021: INR 1 each )	<b>1.30</b>	<b>1.25</b>
<b>b) Diluted (Refer note (i) below)</b>		
Net profit after tax available for equity Shareholders	4,107	3,962
Weighted average number of Equity Shares of INR 1 each (March 31, 2021: INR 1 each)	3,157,934,237	3,157,934,237
Diluted earnings (in INR) per share of INR 1 each. (March 31, 2021: INR 1 each )	<b>1.30</b>	<b>1.25</b>

The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

Earnings per share (Basic and Diluted) for the period presented in the financial statement are calculated after considering the impact of issuance of equity shares, as stated in note 45, from the date of incorporation of the Company (July 02, 2020) i.e. the date from which the results of demerged business have been included in the financial statements.

**31** Pursuant to implementation of Composite scheme (refer note 45), domestic wiring harness business of SAMIL is transferred to the Company. There are various common facilities/functions with SAMIL and cost in respect of the same are incurred at SAMIL. The Company reimburses to SAMIL 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 included in the respective expense head as mentioned below.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

	For the year ended March 31, 2022
<b>Employee benefits expense (refer note 25)</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>

	For the year ended March 31, 2022
<b>Other expenses (refer note 26)</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
Travelling	22
Freight & forwarding	0
Commission	4
Legal & professional expenses	362
Miscellaneous expenses	97
<b>B Total Other expenses</b>	<b>684</b>
<b>Finance costs (refer note 27)</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 28)</b>	
Depreciation on property, plant and equipment	-
Depreciation on right of use assets	20
<b>D Total Depreciation and amortisation expense</b>	<b>20</b>
<b>E Exceptional expenses (refer note 46)</b>	<b>104</b>
<b>Total Shared cost (A+B+C+D+E)</b>	<b>1,544</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 32 Fair value measurements

#### Financial instruments by category

	March 31, 2022			March 31, 2021		
	FVPL	FVOCI	Amortised Cos	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Trade receivables	-	-	6,593	-	-	6,749
Loans	-	-	43	-	-	38
Cash and cash equivalents	-	-	2,933	-	-	373
Other financial assets	-	-	394	-	-	185
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>9,963</b>	<b>-</b>	<b>-</b>	<b>7,345</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	193	-	-	818
Lease liabilities	-	-	2,635	-	-	145
Trade payables	-	-	9,129	-	-	7,516
Other financial liabilities	-	-	1,014	-	-	906
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>12,971</b>	<b>-</b>	<b>-</b>	<b>9,385</b>

- i. **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.**

#### 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 employees <sup>1</sup>	33	33	26	26
	<b>33</b>	<b>33</b>	<b>26</b>	<b>26</b>
<b>Financial liabilities</b>				
Borrowings	-	-	139	139
Lease liabilities	2,097	2,097	100	100
Other financial liabilities <sup>1</sup>	89	89	75	75
	<b>2,186</b>	<b>2,186</b>	<b>314</b>	<b>314</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.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

- ii. **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.**

#### Fair value hierarchy

Financial assets and liabilities as at March 31, 2022

	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>	-	-	-	-
<b>Financial liabilities</b>				
Borrowings	-	-	193	193
Lease liabilities	-	-	2,635	2,635
<b>Other financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,014</b>	<b>1,014</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>3,842</b>	<b>3,842</b>

Financial assets and liabilities as at March 31, 2021

	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>	-	-	-	-
<b>Financial liabilities</b>				
Borrowings	-	-	818	818
Lease liabilities	-	-	145	145
<b>Other financial liabilities</b>	<b>-</b>	<b>-</b>	<b>906</b>	<b>906</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,869</b>	<b>1,869</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**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.

#### iii. 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.
- quoted prices for similar assets or liabilities in active markets
- inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals
- the fair value of the financial instruments covered under level 3 is determined using discounted cash flow analysis.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 33 Financial risk management

The Company in its capacity as an domestic active supplier for the automobile industry is exposed to various risks i.e., market risk, liquidity risk and credit risk. 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: foreign currency risk and other price risks. Financial instruments affected by market risk include 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 affect the profitability of the Company. Motherson 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 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 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.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

The hedged and unhedged foreign currency exposure is as follows:

### (i) Particular of unhedged foreign currency exposure as at the reporting date (Net exposure to foreign currency risk)

	March 31, 2022 Payable / (Receivable)		March 31, 2021 Payable / (Receivable)	
	Amount in Foreign currency in million	Amount in INR	Amount in Foreign currency in million	Amount in INR
CHF	0	8	0	3
CNY	0	5	0	2
EUR	7	609	6	539
GBP	0	18	0	15
JPY	1,331	833	2,437	1,615
SGD	0	5	0	5
THB	16	37	10	23
USD	11	867	11	778

### 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	(24)	(30)
Decrease by 1% in forex rate	24	30

### 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. Refer note 5 for total Trade receivables outstanding.

#### 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.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

#### (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

	March 31, 2022	March 31, 2021
Floating rate		
- Expiring within one year (cash credit and other facilities)	3,000	-

#### (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 liabilities. The Company has no derivative financial liabilities as at March 31, 2022 and March 31, 2021:

Year Ended March 31, 2022	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	193	-	-	193
Trade payables	9,129	-	-	9,129
Other financial liabilities	925	89	-	1,014
Lease liabilities	538	2,090	7	2,635
<b>Total non-derivative liabilities</b>	<b>10,785</b>	<b>2,179</b>	<b>7</b>	<b>12,971</b>

Year Ended March 31, 2021	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	679	139	-	818
Trade payables	7,516	-	-	7,516
Other financial liabilities	831	75	-	906
Lease liabilities	57	88	-	145
<b>Total non-derivative liabilities</b>	<b>9,083</b>	<b>302</b>	<b>-</b>	<b>9,385</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 34 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 & lease liabilities net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs).

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:

	March 31, 2022	March 31, 2021
Net Debt	(105)	590
EBITDA	7,603	5,767
<b>Net Debt to EBITDA</b>	<b>(0.01)</b>	<b>0.10</b>

#### (b) Loan covenants

Under the terms of the sanction facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the period.

### 35 Distribution made and proposed

	March 31, 2022	March 31, 2021
<b>Proposed dividends on Equity shares</b>		
Proposed cash dividend for the year ended on March 31, 2022: INR 0.85 (March 31, 2021: INR Nil) per share	2,684	-
	<b>2,684</b>	<b>-</b>

The Board of Directors have recommended a dividend of INR 0.85 per share (85% on an equity share of INR 1 each) for the year ended March 31, 2022. The payment is subject to approval of the shareholders of the Company at the ensuing Annual General Meeting of the Company and are not recognised as a liability as at year end.

### 36 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
Samvardhana Motherson International Limited ("SAMIL"), (formerly known as Motherson Sumi Systems Limited)	India	33.43%	100%
Sumitomo Wiring Systems Limited	Japan	25.10%	-



(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### Other related parties (entity where control of 'entities with joint control over the Company' exists), with whom transactions have taken place during the year

- 1 Samvardhana Motherson International Limited (till January 21, 2022) merged with Motherson Sumi Systems Limited
- 2 Motherson Electrical Wires Lanka Private Limited
- 3 MSSL Mideast (FZE)
- 4 Motherson Innovations Tech Limited
- 5 MSSL (GB) Limited
- 6 MSSL Tooling (FZE)
- 7 MSSL Global RSA Module Engineering Limited
- 8 MSSL Japan Limited
- 9 MSSL México, S.A. De C.V.
- 10 MSSL WH System (Thailand) Co., Limited
- 11 MSSL Wiring System Inc., USA
- 12 SMR Automotive Systems India Limited
- 13 PKC Group Poland Sp. z o.o.
- 14 PKC Wiring Systems Llc
- 15 PK Cables do Brasil Ltda
- 16 PKC Eesti AS
- 17 PKC Vehicle Technology (Suzhou) Co., Limited
- 18 AEES Inc.
- 19 SMRC Automotive Products Limited (formerly SMRC Automotive Products Private Limited)
- 20 Motherson PKC Harness Systems FZ-LLC
- 21 MothersonSumi Infotech & Designs Limited
- 22 Motherson Air Travel Agencies Limited
- 23 Valeo Motherson Thermal Commercial Vehicle India Limited
- 24 Matsui Technologies India Limited
- 25 Anest Iwata Motherson Private Limited
- 26 Motherson Bergstrom HVAC Solutions Private Limited
- 27 CTM India Limited
- 28 Motherson Consultancies Service Limited
- 29 Motherson Lease Solution Limited

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

- 30 Systematic Conscom Limited
- 31 Edcol Global Pte. Limited
- 32 Motherson Invenzen XLab Private Limited
- 33 Samvardhana Motherson Adsys Tech Limited
- 34 Youngshin Motherson Auto Tech limited
- 35 Samvardhana Motherson Health Solutions Limited
- 36 Samvardhana Motherson Global Carriers Limited
- 37 Motherson (Partnership Firm)
- 38 Motherson Auto Limited
- 39 Marelli Motherson Automotive Lighting India Private Limited (Formerly Magneti Marelli Motherson Auto System Private Limited)
- 40 Kyungshin Industrial Motherson Private Limited
- 41 Fritzmeier Motherson Cabin Engineering Private Limited
- 42 Nirvana Niche Products Private Limited
- 43 Samvardhana Motherson Auto System Private Limited
- 44 Calsonic Kansei Motherson Auto Products Private Limited

### II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 36 (I) above:

#### Key management personnel compensation

	March 31, 2022	March 31, 2021
Short-term employee benefits	8	-
Directors commission/sitting fees	13	-
Post-employment benefits payable	1	-
Long-term employee benefits payable	0	-

#### 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.

(All amounts in INR Million, unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS**

S. No.	Particulars	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
		1	Sale of products	-	-	47	16
2	Sales of services	-	-	6	-	0	4
3	Purchase of goods	-	-	23,643	16,573	709	549
4	Purchase of property, plant and equipment & Right-of-use assets	-	-	32	24	428	126
5	Purchase of services	-	-	346	9	368	160
6	Rent expense	-	-	-	-	24	51
7	Payment of lease liability	-	-	564	-	88	-
8	Interest expense	-	-	0	0	-	-
9	Reimbursement made (refer note 31)	-	-	1,544	1,033	10	3
10	Reimbursement received	-	-	-	0	24	13
11	Royalty	-	-	335	239	-	-
12	Security Deposits Given	-	-	290	-	37	10
13	Security Deposits Received back	-	-	-	-	9	3
14	Loan received	-	-	0	4	-	-

(All amounts in INR Million, unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS****Outstanding balances arising from sales / purchases of goods and services**

S. No.	Particulars	Joint control over the entity		Other related parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Trade Payables	4,381	3,840	229	235
2	Trade Receivables	110	5	152	162
3	Advances recoverable	-	17	1	-
4	Advances from customer	1	1	0	0
5	Capital advance given	-	-	44	-

**Loans & advances to / from related parties**

S. No.	Particulars	Joint control over the entity		Other related parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	<b>Security deposits given:</b>				
	Beginning of the year / period	-	-	127	120
	Security deposit given	290	-	37	10
	Right of Use created on addition	(86)	-	-	-
	Security deposits received back	-	-	(9)	(3)
	Interest on received	15	-	-	-
	<b>End of the year/ period</b>	<b>219</b>	<b>-</b>	<b>155</b>	<b>127</b>
2	<b>Loan taken:</b>				
	Beginning of the year / period	4	-	-	-
	Loan taken	0	4	-	-
	Interest expense	0	0	-	-
	Loan repaid	(4)	-	-	-
	<b>End of the year/ period</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

**37 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.

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"

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### A. Disaggregated revenue information

#### i) Revenue from external customers

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
India	56,119	39,192
Outside India	231	185
	<b>56,350</b>	<b>39,377</b>

Type of goods or Services	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Sales of goods	55,603	38,851
Sale of services	269	335
<b>Total revenue from contracts with customers</b>	<b>55,872</b>	<b>39,186</b>

Timing of revenue recognition	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
As a point in time	55,872	39,186
Over a period of time	-	-
<b>Total revenue from contracts with customers</b>	<b>55,872</b>	<b>39,186</b>

#### ii) Segment Assets

Total of non-current assets other than financial assets, current tax assets and deferred tax assets broken down by location of the assets is shown below:

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
India	4,799	1,849
Outside India	-	-
	<b>4,799</b>	<b>1,849</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
iii) Capital expenditure	1,008	281

iv) Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is as follows

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Customer 1	14,294	12,237
Customer 2	10,918	6,195

### 38 Capital and Other Commitments

Capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2022	March 31, 2021
<b>Property, plant and equipment</b>		
Estimated value of contracts in capital account remaining to be executed, (net of advances of INR 75 million (March 31, 2021: INR 8 million))	563	135
<b>Total</b>	<b>563</b>	<b>135</b>

### 39 Contingent liabilities:

#### Claims against the Company not acknowledged as debts

	March 31, 2022	March 31, 2021
a) Excise, sales tax and service tax matters	6	6
b) Claims made by workmen	18	20

a) The Company has assessed that it is only possible but not probable that outflow of economic resources will be required.

### 40 Ratios analysis

The carrying amount of assets pledged as security for current and non-current borrowings are as follows:

	March 31, 2022	March 31, 2021	% Change	Remarks
<b>(a) Current ratio (in times)</b> [Current assets / Current liabilities]	1.65	1.56	5.8%	
<b>(b) Debt equity ratio (in times)</b> [Total Debt / Net worth] Total Debt = Long term borrowing including current maturities + short term borrowing + Lease liabilities	0.25	0.14	87.0%	On account of additional leases arrangements entered with SAMIL for leasing of buildings post demerger as stated in note 3(b).

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

	March 31, 2022	March 31, 2021	% Change	Remarks
<b>(c) Debt service coverage ratio (in times)</b> [[Net Profit after taxes + Non cash operating expenses] / (Interest & Lease Payments + Principal Repayments)]	5.84	31.91	-81.7%	On account of additional leases arrangements entered with SAMIL for leasing of buildings post demerger as stated in note 3(b).
<b>(d) Return on Equity ratio (in times)</b> [Net Profits after taxes / Average Shareholder's Equity]	0.45	0.78	-41.9%	On account of expenses incurred in relation to management fee and leases arrangements entered post NCLT approval which is effective from April 1, 2021.
<b>(e) Inventory turnover (in times)</b> [Cost of goods sold / Average inventory]	4.10	3.30	24.5%	The Company was incorporated on July 2, 2020, hence previous period for 9 months is not comparable to the current year.
<b>(f) Trade Receivable Turnover (in times)</b> [[Gross credit sales - Sales return] / Average trade receivables]	8.38	10.36	-19.1%	The Company was incorporated on July 2, 2020, hence previous period for 9 months is not comparable to the current year.
<b>(g) Trade Payable Turnover (in times)</b> [[Gross credit purchases - Purchase return] / Average trade payable]	4.55	4.06	12.1%	
<b>(h) Net Capital Turnover (in times)</b> [(Total sales - Sales return) / (Current assets - Current liabilities)]	7.19	6.96	3.2%	
<b>(i) Net profit margin (%)</b> [Net Profit / (Total sales - Sales return)]	7.4%	10.1%	-27.3%	Management fee and leases are recognised after effective date of January 5, 2022 and exceptional expense incurred in current year, these were not in the previous period (refer note 3b and 26).
<b>(j) Return on Capital Employed (%)</b> [Earnings before interest and tax / Average Capital Employed] Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	59.4%	91.6%	-35.1%	The Company has accounted for the lease liability in respect of premises from effective date of January 5, 2022. The premises were taken on lease from SAMIL for the units demerged pursuant to the Composite Scheme (refer note 45).
<b>(k) Return on Investment</b> [Interest (Finance Income) / Investment]	-	-		Since the Company has no investment, return on investment is not applicable on the Company

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 41 Contract balances

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	March 31, 2022	March 31, 2021
Receivables (refer note 5)	6,593	6,749
Contract liabilities (refer note 20)	162	108

### 42 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 for land, premises, plant & machinery and vehicles. These lease arrangements for premises are for a period upto 5-10 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. Leases for building / premises are in the name of SAMIL and these are in the process of assignment in the name of the Company.

	March 31, 2022	March 31, 2021
Current lease liabilities	538	45
Non-current lease liabilities	2,097	100
	<b>2,635</b>	<b>145</b>

### Amount recognised in statement of profit and loss during the year on account of Ind AS 116

	For the year ended March 31, 2022	For the period ended from July 02, 2020 to March 31, 2021
Interest expense on lease liabilities (included in finance cost)	203	10
Depreciation of Right of Use assets	631	45
Lease expense derecognised	653	73
<b>Other items included in statement of profit and loss during the year:</b>		
Short term and low value lease payments	132	111

### 43 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.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 44 Dues to micro and small 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:

	March 31, 2022	March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	106	112
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	0
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	206	463
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	1	1
Further interest remaining due and payable for earlier years	-	-

### 45 Composite Scheme of Amalgamation and Arrangement

The Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated December 22, 2021 has approved the Composite Scheme of Amalgamation and Arrangement ("the Scheme") between Samvardhana Motherhood International Limited (erstwhile Motherhood Sumi Systems Limited) ("SAMIL"), the Company, erstwhile Samvardhana Motherhood International Limited and their respective shareholders. The Scheme, among other things, entails demerger of Domestic Wiring Harness ("DWH") business from SAMIL into the Company. The Company has given effect to the aforesaid demerger as on December 31, 2021 in accordance with the accounting treatment prescribed in the Scheme and relevant accounting standards. Accordingly, all assets and liabilities of DWH business were transferred and vested into the Company at carrying values. Further, the Company has given effect to demerger transaction as per the accounting treatment prescribed in the Scheme and the applicable accounting standards which, among other matters, required restatement of Comparative financial from the date of its incorporation of the Company and thereby, resulting in a change to comparative figures during the period ended March 31, 2021.

As per the Scheme, 3,157,934,237 equity shares having face value of INR 1/- each was allotted by the Company in the ratio of 1 equity share of the Company of face value INR 1/- each for every 1 equity share of SAMIL of face value INR 1/- each to the shareholders of SAMIL.

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

Details of assets and liabilities transferred to the Company as give below:

	As at April 01, 2021	As at July 02, 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,559	1,580
Right-of-use assets	138	152
Capital work in progress	1	3
Financial assets		
i. Loans	26	21
ii. Other financial assets	82	-
Deferred tax assets (net)	259	478
Other non-current assets	151	145
Non-current tax assets (net)	0	0
<b>Total non-current assets</b>	<b>2,216</b>	<b>2,379</b>
<b>Current assets</b>		
Inventories	7,986	7,252
Financial assets		
i. Trade receivables	6,749	817
ii. Cash and cash equivalents	372	290
iii. Loans	12	25
iv. Other financial assets	103	167
Other current assets	455	478
<b>Total current assets</b>	<b>15,677</b>	<b>9,029</b>
<b>A Total assets</b>	<b>17,893</b>	<b>11,408</b>
<b>Non current liabilities</b>		
Financial Liabilities		
i. Borrowings	139	453
i (a). Lease liabilities	100	107
ii. Other financial liabilities	75	58
Employee benefit obligations	211	196
Government grants	222	244
<b>Total non-current liabilities</b>	<b>747</b>	<b>1,058</b>

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

	As at April 01, 2021	As at July 02, 2020
<b>Current liabilities</b>		
Financial Liabilities		
i. Borrowings	675	-
i (a). Lease liabilities	45	33
ii. Trade payables		
Total outstanding dues of micro and small enterprises and	112	23
Total outstanding dues of creditors other than micro and small enterprises	7,404	4,793
iii. Other financial liabilities	831	911
Provisions	8	7
Employee benefit obligations	494	475
Government grants	30	31
Other current liabilities	447	957
<b>Total current liabilities</b>	<b>10,046</b>	<b>7,230</b>
<b>B Total liabilities</b>	<b>10,793</b>	<b>8,288</b>
<b>C Net Assets (A - B)</b>	<b>7,100</b>	<b>3,120</b>

Against the net assets of INR 7,100 million, the Company has issued equity share capital of INR 3,158 million and the balance of INR 3,942 million has been recognised as Capital reserve.

**46** During the current year, the Company has accrued for INR 550 million for its share of expenses in connection with the implementation of the Scheme of arrangement post NCLT approval and amount of INR 104 million being cost allocated by SAMIL. The Company has disclosed such amount which aggregates to Rs 654 million as exceptional expenses in the financial statements.

### 47 Other Statutory Information

(i) Following are the transactions with companies struck off

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Abacus HVAC Solutions India Private Limited	Payables	0	No relationship
Ping Techno Solutions Private Limited	Payables	0	No relationship
Sunrise Auto electronics Private Limited	Payables	0	No relationship

(ii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(All amounts in INR Million, unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

- (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 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:
  - (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 do not have 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 wilful defaulter by any bank or financial institution or other lender

**48** 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

Place: Noida  
Date: May 26, 2022

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman  
DIN: 00291126  
Place: Mumbai  
Date: May 26, 2022

**G.N. GAUBA**  
Chief Financial Officer

Place: Noida  
Date: May 26, 2022

**ANURAG GAHLOT**  
Whole-time Director/  
Chief Operating Officer  
DIN: 09455743  
Place: Mumbai  
Date: May 26, 2022

**POOJA MEHRA**  
Company Secretary

Place: Noida  
Date: May 26, 2022



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# Motherson Sumi Wiring India Limited

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

CIN: L29306MH2020PLC341326

Phone: +91 022 61354800; Fax: +91 022 61354801

Corporate Office: 11<sup>th</sup> Floor, Plot No. 1, Sector-127, Noida- Greater Noida Expressway, Noida-201301 (Uttar Pradesh)

Phone: +91 120 6679500; Fax: +91 120 2521866;

E-mail: [investorrelations@mswil.motherson.com](mailto:investorrelations@mswil.motherson.com);

Website: [www.mswil.motherson.com](http://www.mswil.motherson.com)

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## **NOTICE**

**NOTICE** is hereby given that the 2<sup>nd</sup> Annual General Meeting of Motherson Sumi Wiring India Limited (“**MSWIL**” or “**Company**”) is scheduled to be held on Monday, August 29, 2022 at 12:15 P.M/Hours (IST) through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”) following the operating procedures (with requisite modifications as may be required) referred to in General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 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. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021 and General Circular No 3/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs, Government of India, (“**MCA Circulars**”) to transact the following business(s):

### **ORDINARY BUSINESS:**

1. To consider and adopt 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.
2. To declare final dividend of Re. 0.85 (Eighty 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.



## **SPECIAL BUSINESS:**

### **ITEM NO 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 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any Statutory modification(s) or re-enactment(s) thereof for the time being in force) as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Non – Executive Directors of the Company (including Independent Directors) who are neither in the whole –time employment nor Whole Time Director or some or any of them and the said remuneration in form of commission shall be in addition to Sitting Fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committee thereof, in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company from the financial year 2021-22 for a period of five years, commencing from April 1, 2021 upto March 31, 2026.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee constituted or to be constituted) be and is hereby authorized to decide the commission within the permissible limit or any statutory thereof, from time to time and manner of distribution of the aforesaid commission in such manner as it may deem fit and to do all such acts, deeds and things as may be required from time to time in this regard.

### **ITEM NO. 5**

**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 Companies (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 1,100,000 (Indian Rupees One Million One Hundred Thousand only) 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.”

**ITEM NO. 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 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) / agreement(s) / arrangement(s) / transaction(s), between the Company and Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited (“**SAMIL**”) for the transactions as below:

- purchase of components, such as wires, rubber parts, tools, jig, fixtures, connectors, certain capital items and other components, required to manufacture / assemble wiring harness;
- sale / supply of wiring harness and other parts and/or components thereof;
- to take on lease, sub-lease, license or sub-license properties / land in addition to premises taken on leases earlier for manufacturing units and other office premises;
- to avail various functional support services towards design and development, engineering services, finance, procurement, logistics, human resource, Tax and legal services, information technology support etc.;
- to avail 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."

#### **Item No. 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) / agreement(s) / arrangement(s) / transaction(s), between the Company and Sumitomo Wiring Systems Limited for the transactions as stated below:

- purchase of wiring harness components including Wire, Metal Tape and other components , purchase of Child parts of wiring harness components and moulds and purchase of Equipments & Machines, printer & spares;
- sale of wiring harness and its components

- to avail Technical assistance and know-how by the company in relation to the manufacture and sale of domestic wiring harness;
- to avail various support services by the company towards design and development, engineering services and software;

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 of Motherson Sumi  
Wiring India Limited

Pooja Mehra

Company Secretary

Place: Noida, Uttar Pradesh

Membership No.: FCS 5088

Date: July 4, 2022

**Registered Office Address:**

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. 4-7 of the Notice is annexed hereto.

2. 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. 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.
3. 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 Director seeking appointment/re- appointment, are annexed hereto.
4. 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.
5. 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@dp Gupta.com](mailto:support@dp Gupta.com) with a copy marked to [investorrelations@mswil.motherson.com](mailto:investorrelations@mswil.motherson.com).
6. 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.
7. 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.
8. 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.

9. 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.
10. 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 29, 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 [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com). or to the Company at [investorrelations@mswil.motherson.com](mailto:investorrelations@mswil.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.
12. 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; sub-division/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 [www.mswil.motherson.com](http://www.mswil.motherson.com) 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)

13. 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.mswil.motherson.com](http://www.mswil.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)
14. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. 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.
16. 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.
17. 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.

## 18. 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> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ 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.</li> <li>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.</li> </ol>

	<p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <p style="text-align: center;">  App Store      Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </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>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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 &amp; voting during the meeting.</p>

**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**

<b>Login type</b>	<b>Helpdesk details</b>
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.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
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.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> 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.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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@mswil.motherson.com](mailto:investorrelations@mswil.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@mswil.motherson.com](mailto:investorrelations@mswil.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@mswil.motherson.com](mailto:investorrelations@mswil.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.

**19. 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@mswil.motherson.com](mailto:investorrelations@mswil.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@mswil.motherson.com](mailto:investorrelations@mswil.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 PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No 4

Keeping in view guidance provided by Directors it is proposed to pay a sum (including Commission to be paid if approved) not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, amongst the Directors of the Company (including Independent Directors) who are neither in the whole – time employment nor a Managing Director of the Company nor Whole Time Director or some or any of them in such amounts or proportions and in such manner and in all respects from the financial year 2021-22 for a period of five years i.e. from April 1, 2021 to March 31, 2026, as may be directed by the Board of Directors and subject to other applicable requirements under law. The said remuneration shall be in addition to Sitting Fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committee thereof, in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors.

Further for Financial Year 2021 -22 it is proposed to pay the total commission of INR 12,375,000 to the Independent Directors. Company's Independent Directors are leading professionals with high level of expertise and rich experience in functional areas. Aforesaid commission payable to Independent Directors has been recommended in view of the performance of the company for the Financial Year 2021-22 and is commensurate with industry standards and contribution given by Independent Directors on the Board of the company. Company is proposing to pay Commission for the financial year 2021-22 as per below details to the Independent Directors:

	<b>Name of Independent Director</b>	<b>Amount in INR (subject to deduction of applicable taxes)</b>	<b>Remarks</b>
1	Mr. Arjun Puri	4,500,000	Demerger of Domestic Wiring Harness Division of Samvardhana Motherson
2	Ms. Geeta Mathur	4,500,000	

			<p>International Limited (SAMIL) (formerly Motherson Sumi Systems Limited) into the company was approved in December, 2021. Mr. Arjun Puri and Ms. Geeta Mathur who were Independent Directors of SAMIL were appointed in the company in January 28, 2022 for the continuance of their guidance and expertise in the company from SAMIL to the company. Commission amount to be paid to Mr. Arjun Puri and Ms. Geeta Mathur is for full year keeping in view continuance of their directorship from SAMIL to the company and guidance provided by them for full year in SAMIL. No commission is being paid to them from SAMIL for the year 2021-22.</p>
3	Mr. Anupam Mohindroo	1,125,000	Commission proposed keeping in view their period of appointment in the company
4	Mr. Rajesh Kumar Seth	1,125,000	
5	Col. (Retd.) Virendra Chand Katoch	1,125,000	
	<b>TOTAL</b>	<b>12,375,000</b>	

Accordingly, it is proposed to seek approval from the shareholders of the company for the same.

All the Directors of the Company including Independent Directors except the Whole-time Director are concerned or interested in the Resolution at Item No. 4 of the Notice to the extent of the remuneration that may be received by each of them.

#### **ITEM NO. 5**

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 mentioned below across various segments, for the financial year 2022-23.

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 of INR 1,100,000 payable to the Cost Auditors for the financial year ending March 31, 2023 by passing an Ordinary Resolution as set out at Item No. 5 of the Notice. The fees proposed by the Board of Directors on the recommendation of the Audit Committee, is commensurate to the work involved, size of the Audit team, frequency of Audit and time involved.

The Board recommends an Ordinary Resolution set forth in Item No. 5 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. 6**

The Composite Scheme of Amalgamation and Arrangement (“**Scheme**”) undertaken amongst Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited (“SAMIL”), erstwhile Samvardhana Motherson International Limited (now amalgamated), Company 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. Pursuant to the Scheme, the Domestic Wiring Harness Undertaking or DWH Undertaking (*as defined in the Scheme*) of SAMIL was demerged into Company with effect from January 5, 2022 with April 1, 2021 as the Appointed Date of Demerger (Referred to as “Scheme”)

There continues to be various inter-dependencies with, *inter alia*, the remaining business of SAMIL. SAMIL has, over the years, developed an in-house value chain of products through various backward integration initiatives which give it a distinct cost advantage. Therefore, it is critical for the Company to leverage the in-house value chain of products of SAMIL to provide it with a distinct cost advantage, which is instrumental to the future performance of the Company and are required to manufacture/assemble the wiring harness product as required by the original equipment manufacturers. Similarly, SAMIL leverages Company’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.

Thus, keeping in view such criticality of the transactions to be undertaken by Company with SAMIL (as explained above), the members may note that the members of SAMIL, in its EGM held on April 29, 2021, *inter- alia*, had approved, on behalf of the Company, related party transactions, for prescribed periods on specified terms and conditions, to be entered into between SAMIL and the Company, on the Scheme becoming effective. The said related party transactions were approved by 99.44% of the shareholders of SAMIL who voted on the resolution (except the related parties of the Company).

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Sixth Amendment) Regulations, 2021 (“**LODR Amendment Regulations**”) all Material Related Party Transactions with Related Parties exceeding the materiality threshold as laid down in the LODR Amendment Regulations, shall require approval of the shareholders through resolution, with validity of such Material Related Party Transactions approved at the Annual General Meeting, as per the LODR Amendment Regulations, being up to next Annual General Meeting and for a period not exceeding fifteen months. 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.

In view of all the above, the Company is seeking approval of the Related Party Transactions with Samvardhana Motherson International Limited (SAMIL). The brief particulars of the contracts and / or transactions and / or arrangements entered / to be entered into Company are as under:

**6(a): Purchase of components and capital goods by Company**

<b>Particulars</b>	<b>Information</b>
<b>Name of the Related Party and nature of Related Party</b>	Samvardhana Motherson International Limited (SAMIL), Promoter Shareholder of the company
<b>Nature, material terms and particulars of the contract or arrangement</b>	<p>The transactions are in relation to purchase of various goods or materials, including various tools, jig, fixtures, wires, rubber parts, connectors, capital items and other components and raw materials, which are used to manufacture/ assemble wiring harnesses, as required by Company.</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>
<b>Rationale of the Transaction</b>	<p>SAMIL over the years has developed an in house capability of manufacturing various products including certain child parts required in the manufacturing / assembly of wiring harness by way of various backward integration initiatives thereby giving wiring harness business a distinct advantage. The domestic wiring harness business of SAMIL has been demerged into and with the company. The Company continues to have various interdependencies with SAMIL and 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</p>

	<p>harness product as required by the original equipment manufactures (“OEMs”) from SAMIL. Company also procures certain capital items as required for its business from other divisions of the Company.</p> <p>The above transactions will benefit the company for its continued business and ensure that benefit of group in-house value chain continues to be available to company , at arm’s length prices.</p>
<b>Duration of the proposed transactions</b>	<p>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, 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 if there is an associated cost-benefit. The agreement for this transaction contain termination provisions in line with long term commercial contracts of this nature</p>
<b>Pricing and Financial Arrangements</b>	<p>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 trading margins as applicable for different activities based on transfer pricing principles.</p>

**6 (b) Sale of wiring harness and other parts and/or components thereof to SAMIL**

<b>Particulars</b>	<b>Information</b>
<b>Name of the Related Party and nature of Related Party</b>	Samvardhana Moterson International Limited (SAMIL), Promoter Shareholder of the company
<b>Nature, material terms and particulars of the contract or arrangement</b>	<p>The transactions are in relation to the sale to SAMIL of various goods or materials, including the sale of components of wiring harness and wiring harness.</p> <p>The products will include current and future</p>

	<p>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>
<b>Rationale of the Transaction</b>	<p>The domestic wiring harness business of company is presently the leading wiring harness supplier for the OEMs in India. It is a supplier of choice for several OEMs due to its superior quality customer centricity.</p> <p>SAMIL require wiring harness and components for supply to and manufacturing / assembly of the final product. Given the Company's competitive position, the company supplies wiring harness and components in its Ordinary Course of Business (some of which may be sourced by the company from outside suppliers) to SAMIL at Arms length price.</p>
<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. 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 if there is an associated cost-benefit. The agreement for this transaction contain termination provisions in line with long term commercial contracts of this nature</p>
<b>Pricing and Financial Arrangements</b>	<p>The prices are mutually decided at arm's' length basis and based on comparable terms (appropriate trading margins if applicable) with third party and/or customer target price decided at the time of award of contract by OEMs</p>



**6(c): To lease, sub-lease, license or sub-license properties, including provision of maintenance services in relation to such properties (on need basis) by SAMIL to Company**

Particulars	Information
<b>Name of the Related Party and nature of Related Party</b>	Samvardhana Motherson International Limited (SAMIL), Promoter Shareholder of the company
<b>Nature, material terms and particulars of the contract or arrangement</b>	<p>The transaction involves leasing/ sub-leasing of various immovable properties owned/leased by SAMIL on which manufacturing or for office premises of the company are/will be situated.</p> <p>Prior to the Scheme becoming effective, the members of SAMIL in its EGM held on April 29, 2021, <i>inter- alia</i>, had approved this related party transaction for a period of 10 years covering inter-alia, that new areas may be added within the limit and areas of the manufacturing unit(s) may change in future considering expansion and other business requirements.</p> <p>In addition to the list of units/properties transferred as part of Domestic Wiring Harness Undertaking pursuant to Scheme, company has taken additional new immovable properties, one for land for factory at Chennai and another for building for Noida factory.</p> <p>Details of two (2) additional immovable properties owned / leased by SAMIL is as under:</p> <ol style="list-style-type: none"> <li>1. Land situated at State Highway 120 Kattavakkam Village, Kancheepuram District-Chennai (“Chennai Land”) will be taken on long term lease. The rental is proposed to begin from construction commencement date.</li> <li>2. Plot No. A-60-61, Sector- 6, Noida- Uttar Pradesh- 201301.</li> </ol> <p>Area for the abovesaid properties may change in future considering the expansion and other business requirements. In case of change in leased area, the rental will vary and</p>

	<p>such change in rental will be supported by an independent third-party report on an arm's length justification.</p> <p>The monthly rents have been presently determined basis fair rental value determined in independent reports prepared by Knight Frank, a third party valuer.</p> <p>The transactions will be undertaken at an arm's length basis.</p>
<p><b>Rationale of the Transaction</b></p>	<p>The domestic wiring harness business demerged by SAMIL into the Company, <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 SAMIL. 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 SAMIL will continue to retain such immovable assets and company 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 company by SAMIL.</p>
<p><b>Duration of the proposed transactions</b></p>	<p>Considering continuity of business perspective as approved earlier also by shareholders of SAMIL on behalf of the company, 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> <p>The agreements contain termination provisions, applicable post the expiry of lock-in period, in line with long term commercial contracts of this nature.</p>

<b>Pricing and Financial Arrangements</b>	To ensure that the fair value of Lease Rentals are evaluated in a transparent manner, Knight Frank was appointed to carry out independent studies and basis the report from Knight Frank the lease rentals and annual escalations have been worked out in the respective lease agreements.
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#### 6(d): Functional Support Services

<b>Particulars</b>	<b>Information</b>
<b>Name of the Related Party and nature of Related Party</b>	Samvardhana Motherson International Limited (SAMIL), Promoter Shareholder of the company
<b>Nature, material terms and particulars of the contract or arrangement</b>	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, infrastructure support and other professional and support services by SAMIL to company and sharing of manpower and resources. The services will include current and future services. The transactions will be at an arm's length basis.
<b>Rationale of the Transaction</b>	<p><b>A. Functional Services to be provided by SAMIL</b></p> <p>SAMIL 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 and Information technology 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 company in India and the export wiring</p>

	<p>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> <p>The key rationale for undertaking these arrangements is to avoid duplication of resources thus making both the businesses, i.e., the business of SAMIL and company, cost-efficient.</p>
<p><b>Duration of the proposed transactions</b></p>	<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>
<p><b>Pricing and Financial Arrangements</b></p>	<p><b>A. Functional Services to be provided by SAMIL</b></p> <p>Costs of common resources shall be allocated between the company and SAMIL, based on either</p> <ol style="list-style-type: none"> <li>1. Revenues; or</li> <li>2. Any other applicable metric as may be considered appropriate where revenue-based allocation may not be feasible.</li> </ol> <p><b>B. For Others</b></p> <p>Pricing to be governed by the following principles:</p> <ol style="list-style-type: none"> <li>1. In case of any trading activities, there will be a mark-up on an arm's length basis; or</li> <li>2. In-house developed solutions / services</li> </ol>

	will be priced at comparable levels to market prices
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**6(e): Management Services**

<b>Particulars</b>	<b>Information</b>
<b>Name of the Related Party and nature of Related Party</b>	Samvardhana Motherson International Limited (SAMIL), Promoter Shareholder of the company
<b>Nature, material terms and particulars of the contract or arrangement</b>	The transaction shall involve provision of various management services by SAMIL to company including management support and advice, local relationships and ground level assistance. The transactions will be at an arm's length basis.
<b>Rationale of the Transaction</b>	SAMIL and 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 company consequent to the demerger. Further, the domestic wiring harness business of company benefits from the management guidance and support of the management of SAMIL. The contribution of SAMIL 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 company and domestic wiring harness business requires continuous and ongoing management support and advice from

	the Company, even after the demerger. Accordingly, SAMIL will continue to provide strategic guidance and management support from operational and local relationships perspective to company
<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 agreement for this transaction contains termination provisions in line with long term commercial contracts of this nature.
<b>Pricing and Financial Arrangements</b>	For Management Services to be provided by SAMIL to company, 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 company as a part of the Scheme.  All agreement(s)/ arrangement(s) will be at an arm's length basis.

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 have approved and consented to seek shareholders' approval for the said related party transactions. The Audit Committee and the Board of Directors have also noted that these transactions are at arm's length, they qualify as material related party transactions under the SEBI Listing Regulations. 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. 6 to this notice.

Mr. Vivek Chaand Sehgal, Chairman and Promoter of the Company is also the Chairman and Promoter and Director of SAMIL. Mr. Laksh Vaaman Sehgal, Director and Promoter of the Company and son of Mr. Vivek Chaand Sehgal is also Promoter and Director of SAMIL. 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 Nominee of Sumitomo Wiring Systems Limited in company and SAMIL and may be deemed concerned. 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 under Item No. 6.

The monetary value for above related party transaction(s) is summarised below:

Sl. No.	Particulars*	Proposed monetary limits (Amount in INR Millions / % to revenue)	FY 22 quantum as % to revenue (approx)	Basis
6(a)	Purchase of wires, components , tools, jigs , fixtures, capital items etc.	30,000	32.73%	Proposed limits based on current market demand forecast, consideration on copper prices and enhanced localization specifically of wires.
6(b)	Sales of components, WH etc.	1,500	0.09%^	Proposed limits based on current market demand potential of new business and consideration on copper prices.
6(c)	Lease / Sub-lease Arrangement	665	1.00%	The amount may vary based on change in lease area as well as basis escalation of 5% per annum.
6(d)	Functional Support Services	3.25%*	2.75%	On actual / arms' length basis.
6 (e)	Management Services	1.00%*	0.59%^	As disclosed above in rationale for transaction under Management Services.

\* % to revenue

^% is Negligible

The above limits have been calculated on Annualised basis and shall get adjusted pro-rata depending upon gap between two Annual General Meetings.

## **Item No. 7**

As already mentioned in Item No. 6 above, the Composite Scheme of Amalgamation and Arrangement (“**Scheme**”) undertaken amongst Samvardhana Motherson International Limited (*formerly known as Motherson Sumi Systems Limited* (“SAMIL”), erstwhile Samvardhana Motherson International Limited (*now amalgamated*), Company 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. Pursuant to the Scheme, the Domestic Wiring Harness Undertaking or DWH Undertaking (*as defined in the Scheme*) of SAMIL was demerged into Company with effect from January 5, 2022. Prior to the effectiveness of the Scheme, SAMIL and SWS had entered into a technical assistance agreement, in relation to the DWH Business (*as defined under the Scheme*). Further SAMIL had been purchasing and selling sale of wiring harness components including Wire, Metal Tape and other components pricing is as per contract prices used for quoting to the customer, purchase of Child parts of wiring harness components and moulds and purchase of Equipments & Machines, printer & spares to and/from Sumitomo Wiring Systems Limited (SWS).

Separately, keeping in view such criticality of the transactions to be undertaken by Company with SWS (as explained above), the members may note that the members of SAMIL in its EGM held on April 29, 2021, *inter- alia*, had approved, on behalf of the Company, related party transactions, for prescribed period on specified terms and conditions, to be entered into between SAMIL and Company. The said related party transactions were approved by 99.44% of the shareholders of SAMIL, who voted on the resolution (except the related parties of the Company).

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Sixth Amendment) Regulations, 2021 (“**LODR Amendment Regulations**”) all Material Related Party Transactions with Related Parties exceeding the materiality threshold as laid down in the LODR Amendment Regulations, shall require approval of the shareholders through resolution, with validity of such Material Related Party Transactions approved at the Annual General Meeting, as per the LODR Amendment Regulations, being up to next Annual General Meeting and for a period not exceeding fifteen months.

In view of the above, company is seeking approval of the Related Party Transactions with Sumitomo Wiring Systems Limited (SWS) as part of the business carried out by Domestic Wiring Harness division of the company. The objective of the proposed related party transactions is to ensure post Scheme continuity of economies of scale thereby bringing efficiencies for the Company. The brief particulars of the contracts and / or transactions and / or arrangements entered / to be entered into Company are as under:



**Purchase and Sale of components and capital goods to/from Company and availing Technical Assistance Services and support Services by the company.**

Particulars	Information
<b>Name of the Related Party and nature of Related Party</b>	Sumitomo Wiring Systems Limited (SWS), Promoter Shareholder of the company
<b>Nature, material terms and particulars of the contract or arrangement</b>	<p>Transactions will involve:</p> <ol style="list-style-type: none"> <li>1. Purchase of components such as wires, rubber parts, tools, jig, fixtures, connectors, certain capital items and other components, required to manufacture / assemble wiring harness;</li> <li>2. sale / supply purchase of wiring harness and other parts and/or components thereof;</li> <li>3. Availing Technical assistance and know-how by the company in relation to the manufacture and sale of domestic wiring harness</li> <li>4. Availing various support services by the company towards design and development, engineering services</li> </ol> <p>The transactions will be at an arm's length basis and in the ordinary course of business</p>
<b>Rationale of the Transaction</b>	<p>Prior to the effectiveness of the Scheme, SAMIL and SWS had entered into a technical assistance agreement, in relation to the DWH Business (<i>as defined under the Scheme</i>). Further SAMIL had been purchasing and selling sale of wiring harness components including Wire, Metal Tape and other components pricing is as per contract prices used for quoting to the customer, purchase of Child parts of wiring harness components and moulds and purchase of Equipments &amp; Machines, printer &amp; spares to and/from SWS.</p>

	<p>Separately, keeping in view such criticality of the transactions to be undertaken by Company with SWS (as explained above), the members may note that the members of SAMIL in its EGM held on April 29, 2021, <i>inter- alia</i>, had approved, on behalf of the Company, related party transactions, for prescribed period on specified terms and conditions, to be entered into between SWS and Company. The said related party transactions were approved by 99.44% of the shareholders of SAMIL, who voted on the resolution (except the related parties of the Company)</p> <p>The objective of the proposed related party transactions was to ensure post Scheme 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, Company as well as SWS.</p>
<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. However, the agreement for this transaction contains termination provisions in line with long term commercial contracts of this nature.</p>
<b>Pricing and Financial Arrangements</b>	<p>Pricing for products/ services will be based on an arm's-length transfer price established by the parties.</p>

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 have approved and consented to seek shareholders' approval for the said related party transactions. The Audit Committee and the Board of Directors have also noted that these transactions are at arm's length, they qualify as material related party transactions under the SEBI Listing Regulations. 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.

Mr. Norikatsu Ishida and Mr. Yoshio Matsushita are the Nominee Directors of SWS in the company. Accordingly, above directors 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 under Item No.7.

An extract of key commercial terms for above related party transaction(s) is summarised below for ease of reference:

Sl. No.	Particulars*	Proposed monetary limits (Amount in INR Millions / % to revenue)	FY 22 quantum as % to revenue	Basis
7	Purchase of components	6,300	9.20%	Limits proposed basis current level of localization
7	Sales of components	100	0.001%^	
7	Technical support services	1.00%*	0.59%^	
7	Design/ development and other Support Services	0.25%*	0.02%^	

\* % to revenue

^% is Negligible

The above limits have been calculated on Annualised basis and shall get adjusted pro-rata depending upon gap between two Annual General Meetings.

By order of Board of Motherson Sumi Wiring  
India Limited

Pooja Mehra  
Company Secretary  
Membership No.: FCS 5088

Place: Noida, Uttar Pradesh  
Date: July 4, 2022

**Registered Office Address:**

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	02.07.2020
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.
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 (b) Nomination and Remuneration Committee (c) Stakeholder Relationship Committee (d) Risk Management Committee (e) Sustainability Committee – Chairman (f) Committee of Directors (Administrative Matters)- Chairman (g) Share Transfer Committee – Chairman
Directorship held in other companies	(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 (xiii) SMR Automotive Mirrors UK Ltd. (xiv) SMR Automotive Mirror Part and Holdings UK Limited (xv) SMR Mirror UK Limited

	<ul style="list-style-type: none"> <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> <li>(xxxii) Samvardhana Motherson International Limited</li> <li>(xxxiii) Advantedge Technology Partners Private Limited</li> <li>(xxxiv) Renu Farms Private Limited</li> <li>(xxxv) Motherson Auto Limited</li> <li>(xxxvi) Shri Sehgal's Trustee Company Private Limited</li> <li>(xxxvii) Samvardhana Motherson Employees Benefit Limited</li> <li>(xxxviii) ATAR Mauritius Pvt. Ltd.</li> <li>(xxxix) JSRR Holdings (M) Pvt. Ltd.</li> <li>(xl) Radha Rani Holdings Pte. Ltd.</li> <li>(xli) Advance Technologies and Automotive Resources Pte. Ltd.</li> <li>(xlii) 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> <p>- Share Issuance Committee</p>
<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 Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited) (SAMIL), listed at BSE and NSE.</p> <p>Mr. Laksh Vaaman Sehgal is member on the following committee of SAMIL</p> <ul style="list-style-type: none"> <li>(a) Audit Committee, Member;</li> <li>(b) Risk Management Committee, Member;</li> <li>(c) Nomination and Remuneration Committee, Member;</li> <li>(d) Corporate Social Responsibility Committee, Member;</li> <li>(e) Share Transfer Committee, Chairman;</li> </ul>

	(f) Committee of Directors (Strategic Business Matters), Chairman; (g) Committee of Directors (Administrative Matters), Chairman; and (h) Global Sustainability Committee, Chairman.
Number of shares held in the Company (as on March 31, 2022)	123

\*No. of meetings held during the financial year were 8 (eight).