



July 26, 2023

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

BSE Limited
1st 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 2022-23 including Notice of 3rd Annual General Meeting

Dear Sir/ Madam,

This is to inform that 3rd Annual General Meeting (“AGM”) of the Company is scheduled to be held on Monday, August 21, 2023 at 01.00 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, 2023 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 .

Thanking you,

Yours truly,
For Motherson Sumi Wiring India Limited

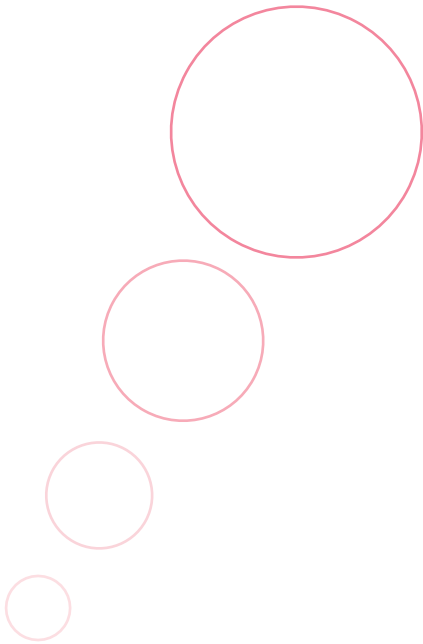
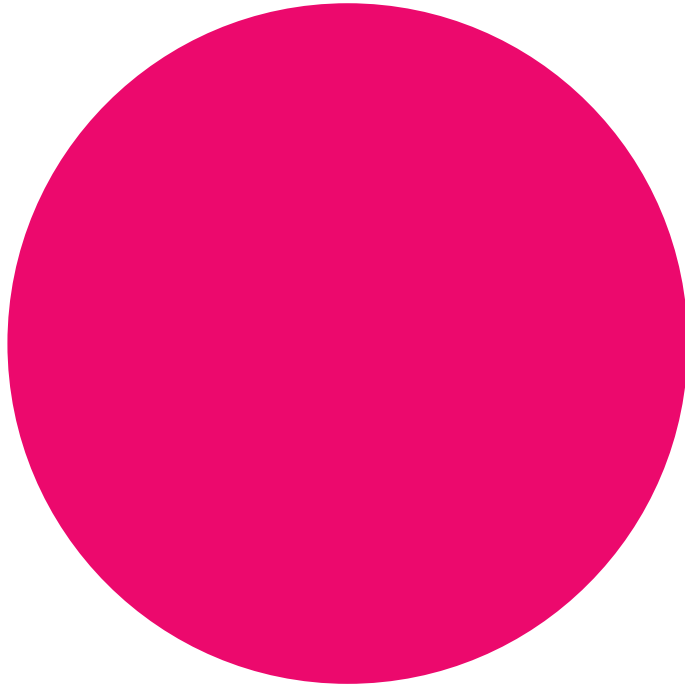
POOJA MEHRA
Digitally signed by
POOJA MEHRA
Date: 2023.07.26
18:42:04 +05'30'

Pooja Mehra
Company Secretary

Enclosure: As above

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.: L29306MH2020PLC34132
E-mail: investorrelations@mswil.motherson.com
Website:www.mswil.motherson.com

Proud to be part of samvardhana motherson



**'Strong
roots are
the key to
creating
long-term
success.'**

**Annual Report
2022-2023**

Motherson
Sumi
Wiring
India Limited

Disclaimer.

In this Annual Report, we may have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written as well as 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. Yuichi Shimizu
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. Mahender Chhabra

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,
Selenium Building, Tower B,
Plot number 31 & 32, Financial
District Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500032,
Telangana, India

Auditors

S.R. Batliboi & Co. LLP,
4th Floor, Office 405
World Mark – 2, Asset No. 8
IGI Airport Hospitality District,
Aerocity New Delhi – 110037, India
Tel: +91 11 4681 9500

Bankers

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

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Dear Shareholders,

Welcome to the first full fiscal year annual report of Motherson Sumi Wiring India Limited (MSWIL) following its listing on March 28th, 2022, at the BSE Limited and National Stock Exchange of India Limited (NSE). It has been a remarkable year for us, with MSWIL delivering strong results in FY 2022-23. Despite the market environment becoming more favourable for business, semiconductor shortages and supply chain disruptions continue to exist both in India and globally. However, through a strong focus on product innovation and customer satisfaction, we have grown our revenues, expanded our footprint, and diversified our customer base.

Financial highlights

The revenues of your company grew to INR 7,057 crores, which is 25% higher than FY 2021-22. Operating EBITDA ended at INR 798 crores and PAT reached INR 487 crores. The company achieved a ROCE of 44%, exceeding our targets. The dividend payout for FY 2022-23 has been declared at 59% of profits after taxes, in line with Motherson Vision 2025 targets, coming to INR 0.65 per share. Our operating cash flows are healthy and as of March 31st, 2023, we continue to be 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 acknowledge the fantastic efforts of our teams in all our units and facilities, who work tirelessly to serve the OEMs. This performance strengthens our position to contribute to Vision 2025 for Motherson.

Theme for this annual report

We have chosen the following quote as the theme of this annual report: "Strong roots are the key to creating

long-term success." Through our relationship with Sumitomo Wiring Systems (SWS) and Samvardhana Motherson India Limited (SAMIL), our company has a strong foundation on which we will continue our journey to a promising future. MSWIL benefits from the vast wiring harness experience of SWS, especially in the area of R&D capabilities and technical expertise. Further, we can access global solutions from any of SAMIL's units and subsidiaries that are relevant to MSWIL's Indian wiring harness customers. In addition, MSWIL also benefits from the seasoned and strong management team of SAMIL, which provides regular guidance and strategic

inputs to our company. We will continue to harness the strengths of both SWS and SAMIL to better serve our customers and grow with them. We believe our heritage provides a strong foundation to grow and create value for all our stakeholders.

Aligned with the industry trends

As a trusted partner and a Tier 1 supplier to leading Indian automotive manufacturers, MSWIL is committed to being future-ready. We are there to support our customers in realising the opportunities presented by the evolving trends in the Indian automotive market.

"We believe our heritage provides a strong foundation to grow and create value for all our stakeholders".





"We have expanded our manufacturing capabilities and invested in state-of-the-art facilities to meet growing customer demands."

We closely monitor various industry developments, including the growing adoption of alternative drivetrains and changing customer preferences.

As the demand for electrification increases, there is a higher requirement for specialised wiring harnesses that can handle high-voltage applications, including charging infrastructure and battery systems. Drawing on our decades of industry experience and our ability to quickly adapt to market needs, we are able to provide integrated high-voltage wiring harness solutions to both hybrid and fully electric vehicles (EVs). Over the past year, we have expanded our

manufacturing capabilities and invested in state-of-the-art facilities to meet growing customer demands in this area. For instance, we have set up a dedicated line for manufacturing EV and high-voltage wiring harnesses in Chennai to cater to a diverse set of customers in this region.

Another key trend in the Indian market is the increasing premiumisation in cars. Premium vehicles often have advanced features and technologies requiring more complex and sophisticated wiring harness systems. These vehicles may have advanced infotainment systems, luxury amenities, advanced safety features, and autonomous

"Over the past fiscal year, MSWIL has strengthened its position as a major solutions provider in the Indian wiring harness segment."

driving capabilities. As a result, the wiring harnesses needed for such vehicles are more intricate and technologically advanced, giving us the opportunity to increase both content and value per OEM. Having access to advanced manufacturing and technological capabilities, MSWIL is in a great position to serve customers' growing demands.

Strong growth in India

The Indian automotive market is growing fast. It recorded the highest passenger vehicle sales in 2022, with close to 3.8 million units sold. This development paves the way for numerous growth opportunities for MSWIL as a leading, full-system wiring harness solutions provider in India.

Over the past fiscal year, MSWIL has strengthened its position as a major solutions provider in the Indian wiring harness segment. We added three new facilities, one in Chennai and two in Noida, to address the growing demand of our customers as well as to support our future growth plans. We now have 26 facilities across India strategically located near our customer locations, providing us with a distinct advantage. I am very proud of the teams who have worked so hard to build these

new plants and get ready in a very short time, to meet the needs of our customers.

In FY 2022-23, we were part of 23 new launches and 17 facelift models. Much of our growth is coming from the new launches, which shows that customers trust us to support their new programmes. We are very grateful for this. Additionally, we are supplying to 10 out of 12 top-selling passenger vehicle models in India, including several premium vehicles. In the EV space, we are supplying to 2 out of the top 3 EV models in the passenger car segment and 2 out of the top 5 EV models in the two-wheeler segment, showing that we are fully prepared to serve the growing demand for electrification.

Our consistent focus on innovation, efficiency, quality, and sustainability brings us closer to our goal of being a preferred, sustainable solutions provider in the Indian wiring harness segment.

Gratitude

I want to extend my deepest gratitude to our customers for their unwavering trust in us and the opportunity they give us to serve them. I also thank our partners for their dedication and commitment to consistently delivering the best solutions to our customers.

To our employees and teams, your hard work and resilience ensure that Motherson continues to delight its customers regardless of what's happening in the market. And finally, we want to thank the central, state, and local government bodies, banks, and financial institutions for their collaboration.

May God bless us and allow us to continue to create value for all the stakeholders we work with; our customers, our investors, our people, and the communities in which we operate.

On behalf of MSWIL, thank you all.

Sincerely,

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



An interview with Laksh Vaaman Sehgal.

To get a deeper insight into the first full year of MSWIL's operations as a separate listed company, we had a conversation with Laksh Vaaman Sehgal, Director of MSWIL, about how the journey has been and what is around the corner.

Q1

This was the first full year in the existence of MSWIL. How has it been?

It was an eventful year. MSWIL has done really well. The company has posted its highest-ever quarterly revenues and crossed INR 7,000 crores in yearly revenues. We are all proud to be part of the 23 new launches and 17 facelifts in India during FY23 across PV, CV and 2W segments. It's remarkable what our colleagues have done.

Q2

The current economic environment has caused rising prices of raw materials, especially copper. What steps is MSWIL taking to address this?

We have a pass-through arrangement with the customers to address the impact of rising raw material prices, including copper. Although the specifics of this arrangement may vary for different customers, the overall objective is to neutralise the impact of price fluctuations.

We do not hold much stock of copper. We procure the wires from our parent company, SAMIL, usually for the next two to three days. So, the inventories of wires are limited. This practice helps us manage our stock levels efficiently. We rely on pass-through arrangements and effective inventory management to address the price fluctuations and we do not engage in hedging.

Q3.

How do you see the Indian automotive industry growing in the future?

The country as a whole is growing fast, both economically and in terms of automotive market size. In fact, India is now the third-largest automotive market in the world. With the world's second most extensive road network already in place, the new expressway and road infrastructure are coming up at an astonishing speed.

This is leading to increased demand for the transport industry. At the same time, car penetration in the country is still relatively low if you

compare it with some of the other developed countries. So, the potential for the Indian automotive industry is fantastic, and we are ready to be part of it.

Furthermore, the Indian government has implemented various initiatives and policies to encourage the development and adoption of electric vehicles (EVs). This aligns with the global trend of transitioning towards sustainable mobility. The EV segment in India has witnessed significant growth in recent years, and with supportive policies, it is expected to thrive further in the future.

India is also becoming a global manufacturing hub for automobiles. Many international automotive companies have set up production facilities in the country to cater to the domestic market as well as for exports. This boosts growth in the Indian automotive industry.

Q4

What are some key business strengths of MSWIL?

MSWIL has several key business strengths contributing to its success and competitive advantage. The company benefits from strong parentage, with Sumitomo and SAMIL providing a solid foundation and a history of over 30 years of success through Motherson Sumi Systems Limited (MSSL), now known as SAMIL.

Our partnership with Sumitomo and SAMIL gives MSWIL early access to new technologies and enables it to

"By leveraging our expertise in wiring harness design and production, MSWIL is well-positioned to adapt to the evolving needs of the EV market."

leverage synergies within the group. Another strength is our ability to localise the production of certain components, such as cables and connectors, showcasing our expertise in vertical integration. Also, we have to understand that the wiring harness business is a people's job. This means we build our capacity not just by creating a plant but also by training our teams. We are very good at that, and our training programmes allow our associates to quickly learn and gain experience so that they can contribute and help serve our customers better and faster.

Q5

How will the shift towards electric, hybrid and alternative engine technologies impact revenues for MSWIL?

We are already supplying to leading electric passenger vehicles and two-wheeler OEMs in India. We engineer and develop these solutions for our customers and they are awarding us with new orders, so our revenues from EVs are growing. As the industry shifts towards electric, hybrid, and alternative engine technologies, we anticipate a positive impact on our revenues. So, we are setting up the lines for that and training the teams, to ensure a successful launch for the OEMs.

Our primary focus is on excelling in what we do best – providing wiring harness solutions to our customers across segments. The revenues then naturally follow. Keep in mind, we are an engine-agnostic company.

Q6

How does the content in the wiring harness change in ICE vs EVs, and what implications do the increasing EV sales in India have for the R&D investments of MSWIL?

Generally, the wiring harness in electric cars is more complex than in conventional vehicles. This creates opportunities for us, for example, to create specific wiring harness components tailored for electric vehicles. On the high-voltage side, which is related to charging and motor operations, which is specific to EVs, MSWIL can provide unique solutions to meet the demands of these systems. As the demand for advanced features and functionalities increases, MSWIL can provide wiring harness solutions that support these enhanced capabilities. This opens avenues for innovation and growth in our product offerings.

On the low-voltage side, we see that the OEMs are adding more features to their cars. This creates opportunities for us as well. So, there is potential for us both on the high-voltage and the low-voltage side.

What is also interesting is that some carmakers are working to improve the efficiency and speed of the assembly process of electric vehicles. As a supplier, MSWIL can support these efforts, for example,

by designing components differently to facilitate the assembly process. All these elements can have a positive impact on the wiring harness content.

By leveraging our expertise in wiring harness design and production, MSWIL is well-positioned to adapt to the evolving needs of the EV market. We are excited about the potential for increased wiring harness content in both high-voltage and low-voltage applications, which can have a positive impact on our business.

When it comes to R&D, we are constantly working on new solutions that our customers find valuable. Lightweighting is an important topic; we are working on smart junction boxes and always look for alternative materials together with our customers. These are some of the areas we focus on in the R&D space.

Q7

How well-positioned is MSWIL to supply to the new customers and vehicle models that are being launched in the Indian market?

I think we are strategically positioned to cater to the demands of new customers and vehicle models. Our teams have worked hard on our significant expansion in Chennai and Bengaluru, where we will make wiring harness solutions for passenger cars, two-wheelers, commercial vehicles and buses. Our decision to expand in these locations is a direct response to the stable demand from the OEMs and we have seen a smooth ramp-up. We expect to have optimum

utilisation early next year, so we are optimistic and we will see the impact of that quite soon.

We remain committed to serving our customers' needs and contributing to their success.

Q8
How will MSWIL sustain its leadership position in the Indian automotive wiring harness market?

At MSWIL, our approach is centred on focussing on ourselves,

capitalising on our strengths, and continuously striving for improvement. We have recently expanded our operations by adding three new facilities to meet the increasing demands of our customers, who are launching new models and updates to existing ones. As a result, our volumes are growing, reflecting the potential in the Indian automotive market.

I think what we do is focus on ourselves and our strengths. We have added three new facilities to

meet the demand of our customers as they continue to launch new models and updates to existing models.

Of course, this is in response to the potential in the Indian automotive market. There is room for everyone to grow. We embrace our mantra of "BYBY," which stands for "By yourself. Better yourself." This approach entails a relentless focus on surpassing our own performance and achieving continuous improvement across all parameters that matter to our customers. We believe that by consistently striving to do better tomorrow than we did today, we can ensure our sustained growth in the future.

We remain focussed on enhancing our products, processes and services. We aim to exceed customer expectations and solidify our position as a preferred sustainable solutions provider to our customers.

Q9
Given the pressure on your operating margins, what steps are being taken to address it?

At MSWIL, we recognise the challenges posed by rising costs of materials which have impacted our operating margins. To address this, we engage in continuous discussions with our customers to identify opportunities for mitigating cost escalations. By collaborating closely with our customers, we aim to find mutually beneficial solutions that help alleviate some of the cost pressures.



We constantly strive to enhance our internal efficiency and optimise our operations. This includes identifying areas for improvement within our processes, streamlining workflows, and implementing cost-saving measures. By driving internal efficiencies, we aim to enhance our overall profitability and address the pressure on operating margins.

However, we do not look at operating margins but the return on capital employed (ROCE). We believe that is a much more robust and holistic indicator emphasising the overall efficiency and effectiveness of our capital utilisation. That is why we have been guiding our investors on ROCE rather than margins, for many years.

Q10

Is MSWIL open to diversifying to other wiring harness applications such as railways, electric two-wheelers, white goods, and perhaps even moving beyond wiring harness?

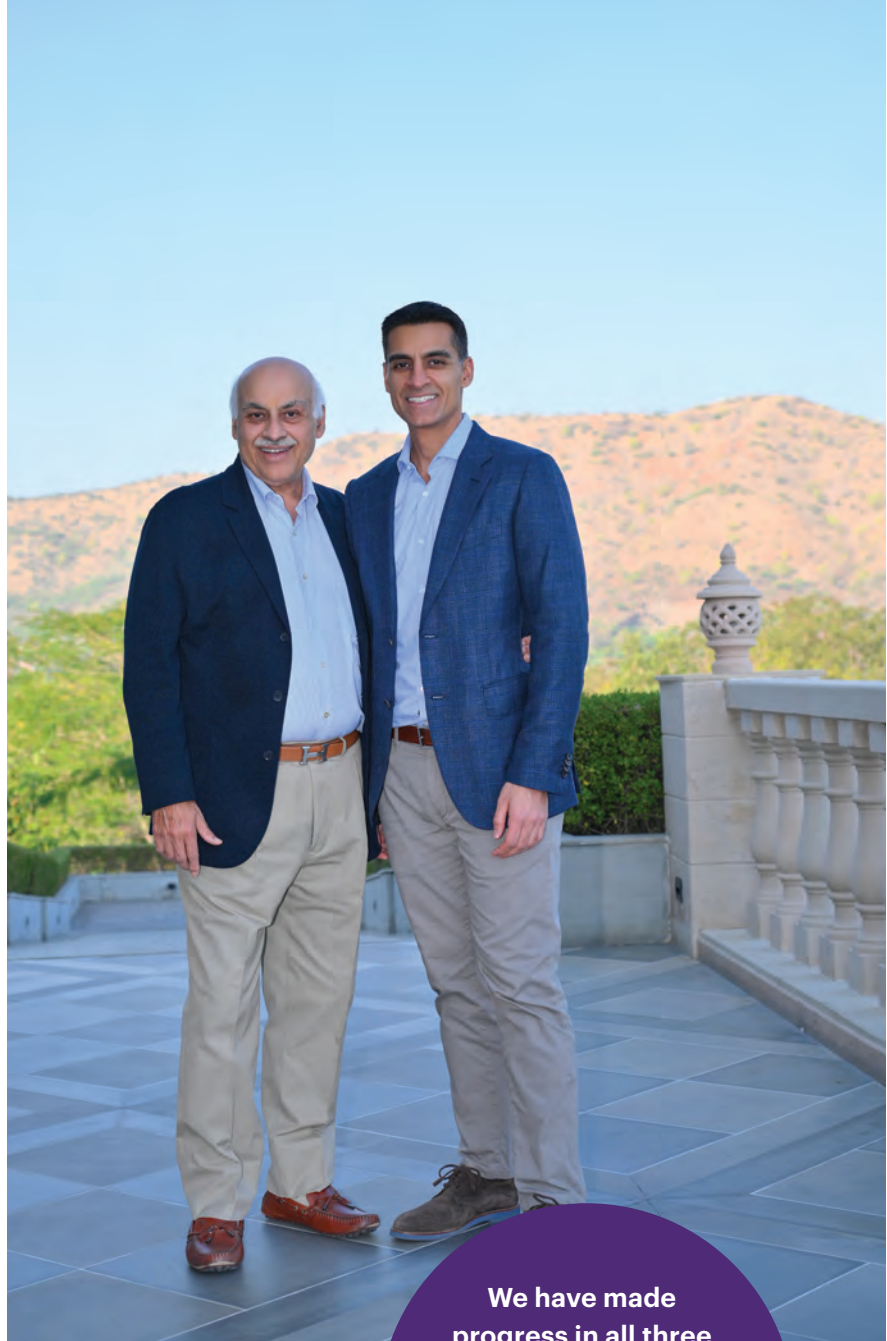
MSWIL was created to meet the strategic requirements of our long-standing partner Sumitomo Wiring Systems, Ltd., with a primary focus on the automotive wiring harness sector in India. This is our main goal for MSWIL at present. However, we remain open to expanding beyond this scope in the future, should our customers express such a need. Naturally, this would be done in collaboration with Sumitomo Wiring Systems.

Q11

Given that wiring harness is a manpower-intensive process, what steps are being taken to automate and optimise manufacturing?

It is true that wiring harness manufacturing is a people-intensive process, however, we are actively implementing measures to automate and optimise our manufacturing processes. While complete automation may not be feasible due to the intricate nature of the work, we are leveraging technology to streamline and enhance various aspects of our operations. For example, we are using digital boards for the wiring harness assembly. This facilitates the training process and makes the transitions from one model to the next much simpler.

We are using Automated Guided Vehicles (AGVs), Collaborative Robots (Cobots), and Robotic Process Automation (RPA) to make our manufacturing more efficient. Other than that, we are also increasingly



We have made progress in all three sustainability areas – Planet, People and Governance.

using technology for certain quality checks. The work remains human-intensive. This approach allows our workforce to contribute additional value in areas where human expertise is most beneficial.

Q12

Given your current order book and the OEMs launching more and more models, what CAPEX investments are you expecting for the coming times?

We are committed to meeting the growing demand from our customers and ensuring that we have sufficient capacity to support their requirements. Adhering to a golden rule, we commence expansion plans as soon as we reach 80% utilisation of our current capabilities. The largest part of our capital expenditures is going into land and buildings. Our CAPEX investments are aligned with our long-term strategy and growth projections. We proactively plan and invest in expanding our facilities well in advance to accommodate the anticipated volume requirements. For instance, when preparing for the launch of models in the '2024-25' timeframe, we initiate the CAPEX planning process in '2022-23' or '2023-24'. This approach allows us to be adequately prepared and ensure seamless operations.

On the people side, it is a continuous process of attracting new people and training them and making them part of the Motherson DNA and way of working.

And since we are continuously winning orders, this is an ongoing process. So usually, we start looking at new capacity enhancement almost a year, year and a half before the predicted date of supply. So, it's a very difficult question to answer. But I think for the orders in hand; we have the capacity. And as we

win more orders, and I'm sure with your good wishes we are going to win even more orders, then we will definitely add more plants.

Q13

How do you feel about the progress you have made in embedding sustainability into all aspects of your operations?

Sustainability is vital to us and MSWIL is aligned with the overall Motherson sustainability targets we formulated for SAMIL.

We have made further progress in all the aspects of our main focal areas of Planet, People, and Governance. On the Planet side, all MSWIL facilities are ISO 14001 certified, which shows our commitment towards global environment management standards. Our products are compliant to clean regulations like RoHS (Restriction of Hazardous Substances), and REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), etc. The company is optimising water consumption through conservation, sewage treatment and reuse, and rainwater harvesting. We are also working on several renewable energy initiatives. On the People side, we have progressed in the area of diversity and inclusion and human rights awareness, and further strengthened our employee safety measures. For example, all our units are ISO 45001 certified, adhering to global workplace safety standards. With respect to Governance, we are continuously focussed on further strengthening our approach to remain compliant, to be more transparent to our stakeholders, and to see the Sustainability issues not

"We proactively plan and invest in expanding our facilities well in advance to accommodate the anticipated volume requirements."

just as risks but also as opportunities. For more details across all three focus areas, please refer to the Sustainability section of this Annual Report.

Motherson Sumi Wiring India Limited.

Motherson Sumi Wiring India Limited (MSWIL) is a leading and fast-growing full-system solutions provider to OEMs in the wiring harness segment in India. MSWIL is a joint venture between Samvardhana Motherson International Limited (SAMIL) and Sumitomo Wiring Systems, Ltd. (SWS), a global leader in wiring harnesses, harness components, and other electric wires.

FY 2022-23 marks the first full fiscal year for Motherson Sumi Wiring India Limited (MSWIL), established through the demerger of the wiring harness business from its parent company, SAMIL and subsequently listed on the Indian stock exchanges in March 2022. The company meets the customer needs at every stage of the supply chain, from initial product design and validation to tool design and manufacturing, finishing and processing, assembly, and finally, production of integrated cutting-edge electrical and electronic distribution systems for the power supply or data transfer across vehicles.

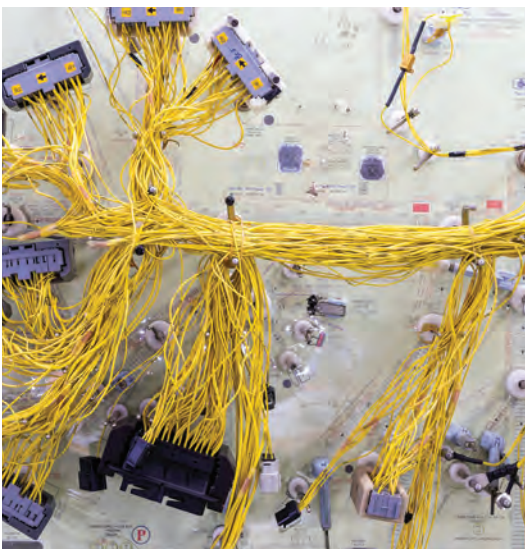
During the past year, MSWIL has strengthened its position in the Indian automotive market. As a trusted partner and Tier-1 supplier to leading automotive OEMs, we offer advanced wiring harness solutions for various vehicles. By catering to both conventional and alternative powertrain vehicles, we have demonstrated our ability to adapt to shifting market needs.

production cuts and meet the evolving needs of its customers.

By maintaining a strong foundation, MSWIL was able to align itself with industry trends and support its customers during challenging economic and political times. This strategic approach enabled the company to increase revenues and secure new orders from major OEMs in India.

Successfully navigating market challenges

MSWIL's ability to navigate the market challenges in the Indian automotive industry demonstrates its resilience and adaptability. Despite the semiconductor chip shortage and the subsequent supply chain disruptions, the company managed to overcome







We have a strong foundation.

Our strong performance in the last year can be attributed to the robust parentage provided by both Sumitomo Wiring Systems, Ltd. (SWS) and Samvardhana Motherson International Limited (SAMIL). Their expertise and resources played a significant role in our success in the Indian automotive market.

SWS, our partner since 1983, is a global leader in wiring harnesses, harness components, and other electric wires. Their consistent support has given MSWIL access to SWS's research and development (R&D) capabilities, technical know-how, and

cutting-edge technologies. This partnership enables us to constantly improve our manufacturing efficiencies, integrate the latest industry advances into our products, and adapt to significant trends such as electrification, which results in high-quality products and services for our customers.

SAMIL, as one of the fastest-growing global automotive suppliers, offers a wide range of solutions for OEMs. Through collaboration with SAMIL, MSWIL gains access to a wide range of products and services from all of SAMIL's units and subsidiaries. This significantly expands the depth and breadth of what we can offer our customers in the wiring harness segment.

The combined parentage of SAMIL and SWS provides MSWIL with a strong foundation for continued growth and success in the Indian wiring harness segment. The expertise, resources, and collaborative efforts of these parent companies contribute to MSWIL's ability to thrive in the market, meet customer demands, and adapt to industry changes. With their

support, MSWIL is well-positioned to continue its upward trajectory and maintain a competitive edge in the Indian automotive industry.

Seasoned management

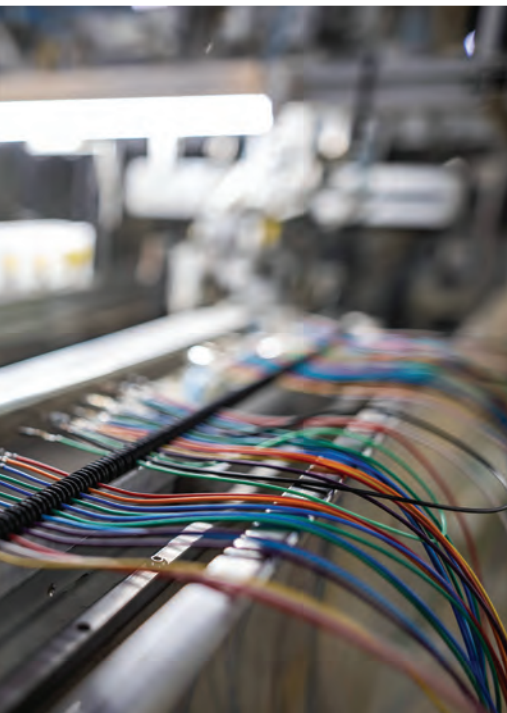
Through SAMIL, MSWIL benefits from an experienced management team consisting of industry experts with extensive experience at Motherson. The knowledge and expertise of the team enable effective decision-making, operational efficiency, and the development of customer-centric solutions. These professionals ensure that our operational teams align with the Motherson philosophy, centring around exceeding our customers' expectations in all aspects.

Future-ready

MSWIL is committed to being future-ready and capitalising on the opportunities presented by the evolving trends in the Indian automotive market. To stay ahead of the curve in this dynamic sector, we are closely monitoring various industry developments, including the shift towards alternative drivetrains and changing customer preferences.

As the demand for vehicle electrification rises, we leverage our expertise and resources to provide integrated high-voltage wiring harness solutions for all alternative drivetrains, including hybrid and fully electric vehicles. This positions the company to effectively address the growing need for more complex and advanced wire harnesses driven by the increasing demand for premium and connected vehicles.

We have expanded our manufacturing capabilities and invested in state-of-the-art equipment and facilities to meet customer demands. This allows us to supply various vehicle segments, from passenger and commercial vehicles to two-wheelers and vehicles with alternative powertrains. For example, our facilities in Bengaluru and Chennai can produce both traditional





26
facilities
strategically located
across India

and high-voltage wire harnesses for EVs, increasing our value as a partner for OEMs. The company's consistent focus on innovation, efficiency, quality, and sustainability further enhances its position as a preferred sustainable solutions provider in the wiring harness segment.

Growing demand

The Indian automotive industry has grown significantly over the past decade, now the third largest globally. According to an industry report, a record 3.8 million units were sold in 2022, reflecting a 23.1% increase compared to the previous year. With OEMs launching new car models and customers seeking more premium features, there has been a surge in demand for complex electronic and electrical distribution systems. Our team's diligent efforts, combined with our knowledge, expertise, and strong parentage have

enabled us to respond to these demands while maintaining high standards of quality.

Considering the continued growth anticipated in the Indian automotive industry in the coming years, MSWIL is fully prepared to capitalise on the opportunities. The company's ability to respond to the increasing demand for complex systems positions it well for future growth.

Footprint expansion

As OEMs scale up their production and new programmes come our

way, we expand our footprint and build the necessary infrastructure to support our customers. In FY 2022-23, we added three new facilities, increasing our capacities in line with customer demands. We now have a total of 26 facilities strategically located across India. The widespread presence enables the company to be in close proximity to our customers' locations, facilitates seamless coordination and fosters long-term, sustainable relationships with OEMs.



Gaining the trust of new customers

MSWIL continues to grow business with our long-standing customers, for which we are grateful. We have also been able to win programmes from new customers, strengthening us for the journey toward Vision 2025 and beyond. We have been part of 23 new launches and 17 facelift models across passenger, commercial, and two-wheeler segments. Consequently, we have a full order book across vehicle segments that will further secure our position in the Indian market. We are thankful to all our customers for their unwavering trust in us, and we look forward to continuing to serve them with complete commitment and dedication.

We are thankful to all our customers for their unwavering trust in us and awarding us with new programmes.



SAMIL Vision

20



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 believe that strong roots are the key to creating long-term success.

Our collaboration with SWS and the invaluable resources provided by SAMIL has endowed us with a strong foundation, making us more resilient and better prepared for the journey ahead.



Aligned with the industry trends.

The Indian automotive market is undergoing rapid development driven by evolving demands of customers and technological advancement. This necessitates OEMs and their suppliers to adapt their strategies accordingly to secure their foothold in the marketplace. In response, MSWIL prioritises staying in tune with our customers' requirements, monitoring industry developments, and anticipating the changes in the dynamic Indian auto sector.

Let's look at these key trends and understand how MSWIL prepares for the future.

Growing demand for SUVs

One of the key developments in India is the growing demand for SUVs. Customers are increasingly attracted to vehicles that offer versatility, comfort, and style, leading to growing interest in SUVs across all segments, ranging from compact to full-sized luxury variants. According to reports, the sales of these vehicles accounted for over 40% of India's overall passenger vehicle market in 2022.

Given the size and feature complexity, SUVs typically require more wiring harnesses than smaller vehicles. This is due to the extra wiring needed to support the advanced infotainment systems, navigation systems, and safety features in these vehicles. As India's leading supplier of wiring harness solutions, MSWIL is well-positioned to capitalise on this trend, which is projected to continue in the coming years. We are continuously

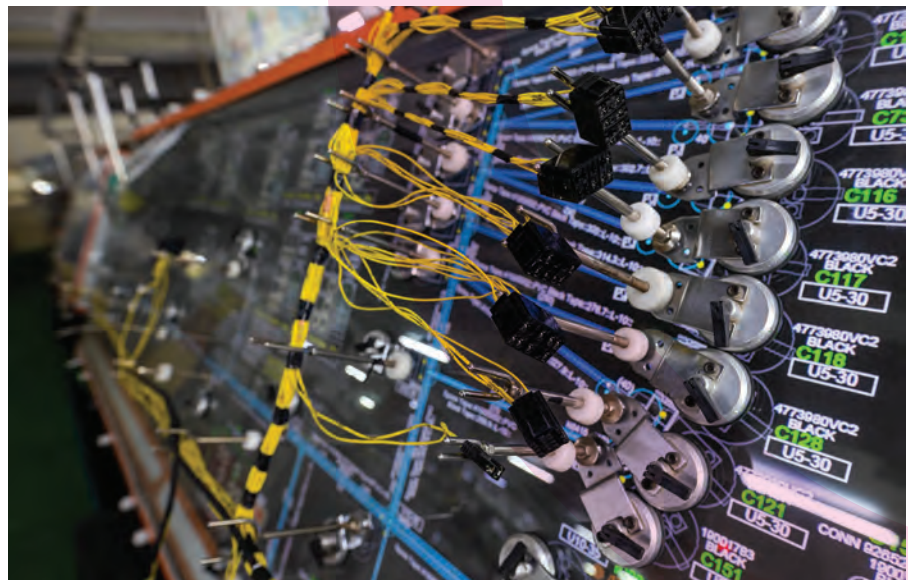
investing in our capabilities and capacities to meet the growing demands of the market.

More connectivity

The Indian automotive market is experiencing a significant shift with the increasing demand for connected cars. Consumers now seek vehicles that offer seamless integration with their smartphones

and other devices, fostering interest in advanced features like remote start and stop, geo-fencing, and over-the-air updates.

As connected vehicles require more complex wiring harnesses and advanced electrical components to transmit and manage large amounts of data, the demand for advanced electrical distribution systems also increases. Leveraging our extensive experience and access to advanced manufacturing capabilities, we offer both wiring harnesses and components to



support vehicle connectivity to support OEMs in this transformative trend. Our team of experts constantly collaborates with automakers to develop innovative technologies and systems that enable seamless connectivity between vehicles and smart devices.

Rising demand for electrification

The ongoing shift toward vehicle electrification continues to shape the auto industry. With the Indian government promoting electric vehicles (EVs) and increasing consumer awareness regarding the environmental impact of fossil fuels, there has been a surge in demand for EVs across all segments. The Economic Survey 2023 predicts that India's domestic electric vehicle market will see a 49% compound annual growth rate (CAGR) between 2022 and 2030, with an expected annual sales volume of 10 million units by 2030.

The development of the electric drivetrain necessitates the need for advanced technology, particularly in handling the high-voltage power required by EVs. Drawing on our decades of industry experience and in-house manufacturing capabilities, we can offer our customers a wide range of solutions in this area. For instance, we have set up a dedicated line for manufacturing EV and high-voltage wiring harnesses in Chennai to cater to a diverse set of customers in this region.

Hybrid vehicles

The year 2022 saw the highest-ever sales of hybrid vehicles, with over 19,000 units sold, presenting potential growth opportunities for MSWIL in the future. Hybrid vehicles require complex wiring systems to ensure the smooth integration and operation of the internal combustion (IC) engine and electric motor. As such, these vehicles require more intricate and extensive wiring harnesses than traditional vehicles. As the demand for hybrid vehicles grows, so does the need for high-quality, innovative wiring solutions. MSWIL, through its strong parentage and advanced technological capabilities, is in a solid position to meet these specific requirements.

Prepared for alternative fuels

The Indian government's endorsement of biofuels like CNG and Ethanol to support lower vehicle emissions,

combined with cost savings for consumers, has spurred rapid growth in the alternative fuels market. In response to this push, automakers in India are introducing a wide range of CNG vehicles, including passenger cars, commercial vehicles, and three-wheelers. According to a report, CNG is expected to become India's second most popular fuel for passenger vehicles by 2027. Automakers are also introducing flex-fuel vehicles capable of running on both gasoline and Ethanol, which can help reduce

emissions and improve fuel efficiency.

This adoption of alternative fuels presents numerous opportunities for MSWIL. As a powertrain-agnostic supplier, we are well-positioned to serve our OEMs as they introduce new models in response to this trend.

Well-positioned to capitalise on trends

As India's leading full-system wiring harness solutions provider, MSWIL is uniquely positioned to respond



to and anticipate industry trends. Our pan-India footprint and strong support from our parent companies, SWS and SAMIL, allow us to support our customers in staying abreast of the latest developments in the automotive landscape. Our efforts are bolstered by our highly professional workforce, committed to earning our customers' trust. We are grateful for our customers' faith in us and look forward to working with them as the Indian automotive industry embarks on an exciting new phase.



CNG is expected to become India's second most popular fuel for passenger vehicles by 2027



We have set up a dedicated line for manufacturing EV and high-voltage wiring harnesses in Chennai to cater to a diverse set of customers in this region.





All units
ISO 14001
certified

Sustainability.

Motherson Sumi Wiring India Limited (MSWIL) places great importance on sustainability and strives to be a responsible corporate citizen. While our sustainability objectives are tailored to address the needs of India, they are also aligned with the key focus areas of the Motherson group — Planet, People, and Governance.

Over the last year, we have progressed in all three areas mentioned above: we became more aligned with the global environmental conservation, formalised our policies toward diversity and inclusion, and strengthened our governance framework. Let us look at these developments in more detail.

Planet

MSWIL has undertaken several initiatives to reduce our environmental impact, including lowering our emissions, reducing our energy consumption, using more renewable energy, implementing water-conservation practices, and managing our use of materials in an environmentally friendly manner. Additionally, we are creating sustainability roadmaps for each unit to ensure that our principles are consistently implemented at every level.

All MSWIL manufacturing facilities are ISO 14001-certified, showing our commitment to meeting global environmental-management standards.

Use of renewable energy

As part of our effort to incorporate more renewable energy into our operations, eight units already use solar power, and seven more units will be equipped with solar panels in the next few months. Additionally, three of our Chennai plants use wind power as a primary energy source. We are also exploring additional options for augmenting our renewable-energy capabilities, including the potential installation of rooftop windmills.

Water conservation and management

We are currently optimising water consumption through conservation, the treatment and reuse of wastewater, and rainwater harvesting. All MSWIL units have been

equipped with sewage treatment plants (STPs) to handle wastewater effectively.

Our organisation has made significant strides in water conservation and management, aligning itself with sustainable practices. We are actively reducing water consumption and minimising our environmental impact by implementing various initiatives, such as push button taps and float switches/float valves. We emphasise that water is not utilised in our production process, reflecting our dedication to responsibly managing resources. This helps us to reduce the environmental footprint associated with water usage, furthering our commitment to sustainability.

We have incorporated STP (Sewage Treatment Plants) within our premises, recognising the importance of utilising natural resources. These systems allow us to collect water, which can be used for non-potable purposes such as landscaping, irrigation, and toilet flushing. We have also implemented rainwater harvesting facilities in our plants. The upcoming stormwater collection project at our Kattavakkam plant indicates a continued focus on improving water management practices. Collecting and utilising stormwater can help mitigate flooding and reduce the strain on existing water sources during heavy rainfall events. By harnessing rainwater, we reduce our dependence on freshwater sources, promoting sustainable water management and conservation.

All MSWIL units have been equipped with sewage treatment plants (STPs) to handle wastewater effectively.

Reducing energy consumption

As part of our commitment to sustainability, we have implemented various measures to conserve and manage energy effectively.

We have established a comprehensive energy committee at our sites to monitor and optimise our energy usage. Regular data analysis helps us identify areas for improvement and implement energy-saving measures across our organisation.

We have significantly reduced energy consumption by adopting innovative technologies such as cyclic timers, motion sensors, and electrically motorised valves. The conversion from T5 lighting to LED across our facilities was a major step towards energy conservation.

This move reduces our energy use and decreases our carbon footprint, making our operations more environmentally friendly.

Materials management

We continue to explore innovative approaches in materials management, striving to optimise our use of materials and reduce waste. We put great emphasis on using recycled and recyclable materials wherever possible, aiming to create a circular economy. Furthermore, we are sourcing materials responsibly, prioritising suppliers that comply with environmental regulations and employ sustainable practices.

Waste reduction to landfill

In the pursuit of sustainable practices and environmental responsibility, this year, we made significant

strides by implementing PadCare, a ground-breaking initiative aimed at recycling used sanitary pads and diverting waste from landfills. By implementing this program, we have taken a significant step towards reducing our ecological footprint and reducing waste going into landfills.

Looking ahead, we are committed to expanding PadCare and further enhancing our circularity efforts. We will continue to invest in research and development, exploring innovative recycling technologies and partnerships. Our aim is to create a more comprehensive and efficient system that can be replicated in other organisations, maximising the positive impact on the environment.





08
units are already using
solar power

07
more units will be
equipped with solar
panels





People

At the heart of MSWIL is its people and their well-being. We prioritise the health and safety of all our employees, provide equal access to personal and professional development, and encourage open communication at all levels, leading to a healthy, diverse, and inclusive work environment.

Robust health and safety well-being standards

We are committed to providing a workplace that meets robust health and safety standards and prioritises our employees' well-being. As part of this commitment, all our facilities are ISO 45001-certified, ensuring we meet global health and safety requirements. We have a safety committee in each plant, a company-level safety council, and a safety officer who ensures that health and safety are not compromised in our day-to-day operations. To ensure that our employees are well-prepared and aware of safety measures, we conduct regular safety awareness sessions and audits, including

training in basic and advanced fire-safety measures and evacuation drills.

We proactively engage in hazard and risk identification and assessment. This is achieved through a varied approach of safety inspection walks, scheduled risk assessments, regular inspections, monthly and quarterly audits, review of hazard identification and risk assessment inputs, and focussed aspect/impact activities. From an equipment and plant perspective, we do regular and scheduled preventative maintenance and pre-work/start-up/production

risk assessments. Incidents are investigated with progressive escalation to management, focussed on root cause analysis and risk control.

Additionally, we understand the importance of mental health and conduct numerous workshops to raise awareness and provide support in this area. We strongly encourage employee participation in these initiatives, fostering a safe and welcoming environment where our employees can flourish.

Engaging and upskilling our employees

The organisation emphasises the continuous enhancement of knowledge and skills through various training interventions tailored to specific roles. This approach ensures that the team remains effective and prepared for the future. The learning opportunities provided encompass a 360-degree approach, including classroom training, on-the-job learning, and experience sharing from colleagues, senior management, and subordinates. This enables the flow of tacit knowledge within the organisation. Cross-border collaboration and sharing of best practices also contribute to the learning culture.

To make knowledge accessible to everyone, the organisation uses a web-based e-learning platform that allows individuals to learn at their own pace and conveniently from their workstations.

The Annual Wiring Harness Skill Competition allows all associates to showcase their skill sets and

encourages continuous skill enhancement. This competition instils a positive competitive spirit among employees and motivates them to focus on their skills and improve through regular practice.

Employee engagement initiatives, such as the suggestion scheme, quality month celebrations, safety week celebrations, and quality circles, aim to utilise the true potential of all team members by providing them opportunities to contribute beyond their regular work. These initiatives foster teamwork, passion for problem-solving, and solution-oriented thinking among employees.

The Quality Circles within the organisation promote teamwork and teach employees different

problem-solving techniques. The Annual Quality Circle Convention serves as a platform for Quality Circles from around the world to showcase their ideas and projects. The number of active Quality Circles within the organisation has grown over the years, with a significant number of projects completed by teams from various subsidiaries.

To foster a happy and creative workforce, various activities are designed to showcase the creative side of employees. The Innovation Awards are given for the most innovative technical paper based on improvements made in the past fiscal year. The Suggestion Scheme encourages employees to provide feedback and suggestions for improvement, both within their

All our facilities are ISO 45001 certified, ensuring that we meet global health and safety requirements.

All units
ISO 45001
certified





processes and beyond. Kaizens, which are continuous improvement activities, enhance employees' thinking power.

The management team sets an annual theme to propagate the objectives and directives for the year. The leadership team elucidates the essence of the theme and motivates employees to work in line with the envisioned objectives. Quality improvement activities and initiatives are also adopted to maintain high-quality standards. The Quality Month celebration further reinforces the culture of quality among all employees and strengthens the organisation.

The organisation strives to create a learning culture, foster employee engagement, and encourage innovation, creativity, and teamwork to build a stronger and more successful organisation.

Equal opportunities for all

We firmly believe in equal opportunities for all. We are dedicated to fostering an inclusive workplace where everyone can thrive and reach their fullest potential regardless of background or identity. We take pride in

the growing number of women on our team and strive to create an environment where they can share their expertise, develop their skill sets, and contribute their insights, knowledge, and passion to our mission. By providing equal opportunities to all employees, we create a diverse and dynamic workforce that drives innovation and success.

Open communication

Open communication is a core value at MSWIL. We believe fostering transparent and honest communication is essential for a thriving and collaborative work environment. To ensure that employees feel heard and valued, we have implemented an open-door policy, enabling them to reach out to the management with questions, suggestions, or

concerns. Additionally, we have a whistle-blower protection policy to encourage employees to report suspicious or unethical activities without fear of reprisal. Furthermore, our confidential "We-Listen" platform provides a safe space for employees to express their concerns freely and confidentially. By promoting open communication, we create an environment that encourages innovation, collaboration, and continuous improvement.

Fostering long-term relationships

MSWIL is dedicated to fostering long-term relationships with our employees. We believe in investing in their growth and providing them with opportunities for professional development, up-skilling, and mentorship. We support their upward mobility within the



By providing equal opportunities to all employees, we create a diverse and inclusive workforce.

company, facilitating their career advancement and personal growth. By nurturing these long-term relationships, we create a loyal and committed workforce that contributes to the long-term sustainability of both our employees and the company.

Governance

Our robust governance system makes our sustainability efforts concerning the planet and our people possible, which keeps the company aligned with the group's sustainability goals.

Dedicated sustainability team

We have established a specialised team whose sole focus is to oversee the sustainability initiatives of our company. This dedicated group is tasked with identifying, developing, and driving the execution of best practices concerning environmental, social, and economic sustainability across all levels of our organisation. This team ensures compliance with existing regulations and will anticipate future trends and opportunities, helping us maintain our commitment to responsible corporate citizenship.

Operational health and safety representative

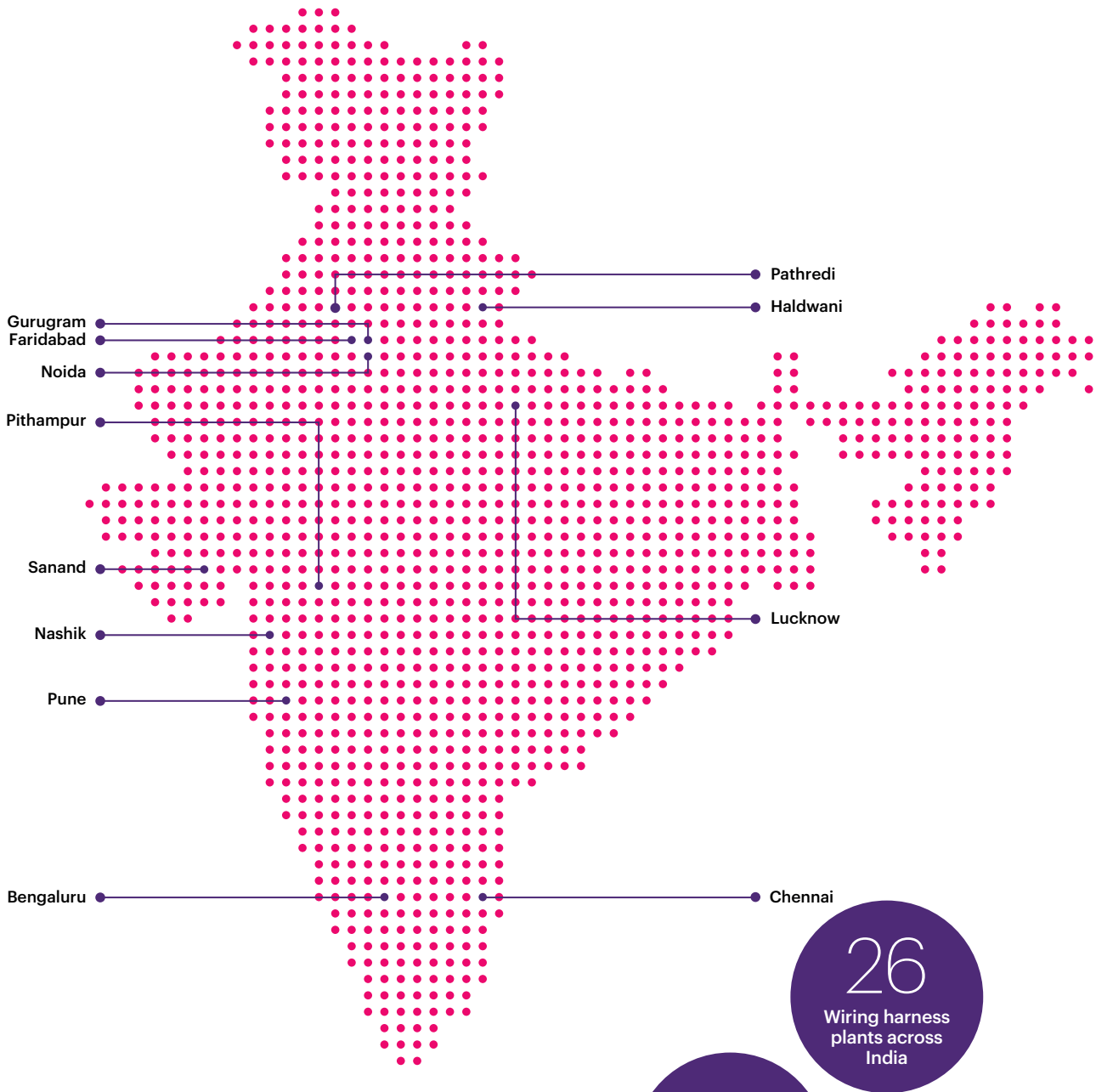
In addition to our dedicated sustainability team, each facility is equipped with an Operational Health and Safety (OHS) representative. These individuals play a vital role in ensuring that our sustainability ambitions are effectively translated into action at the ground level. Their role bridges the gap between strategic planning and operational execution, enhancing the efficacy of our sustainability efforts and aiding the team in reaching its targets.

Materiality framework management

We maintain regular interaction with our stakeholders, valuing their perspectives as an integral part of the materiality-assessment process within our organisation. Once identified, these material topics are subject to an annual review that examines management processes, risk assessments, and strategic objectives. This thorough review ensures that our approach remains relevant, responsive, and aligned with our stakeholders' interests and the evolving business environment.

A long-term commitment

At MSWIL, sustainability is not just a trend — for us, it's a long-term 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 preferred sustainable solutions provider. For more information about the sustainability initiatives of MSWIL, please refer to the Business Responsibility and Sustainability Report (BRSR) section of this annual report. To learn more about these initiatives across the group, please refer to the Sustainability section of the SAMIL annual report.



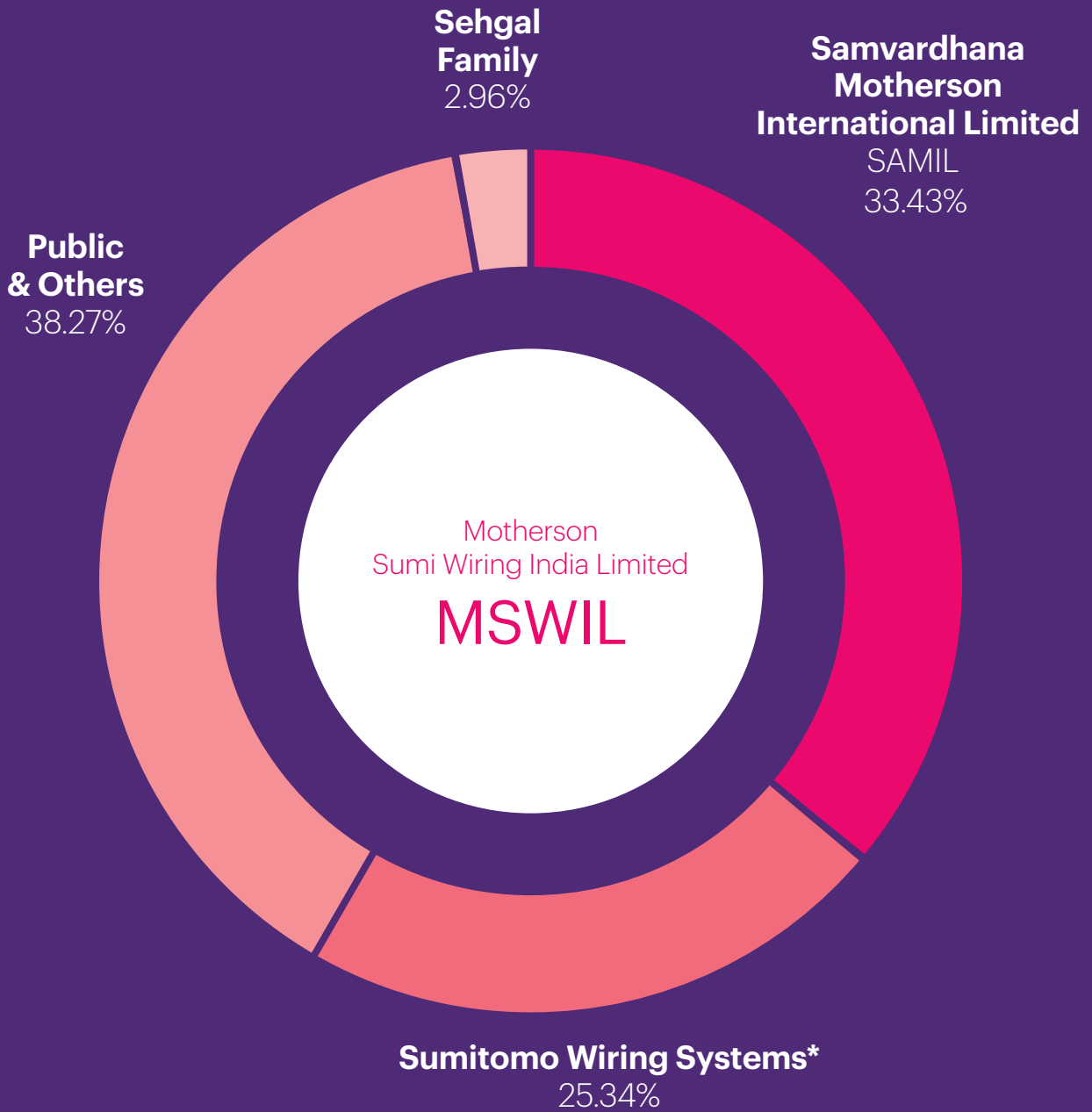
Proximity to customer location

Diversified and PAN-India industrial footprint.

26
Wiring harness plants across India

Strategically located at multiple locations for de-risking

Shareholder structure.

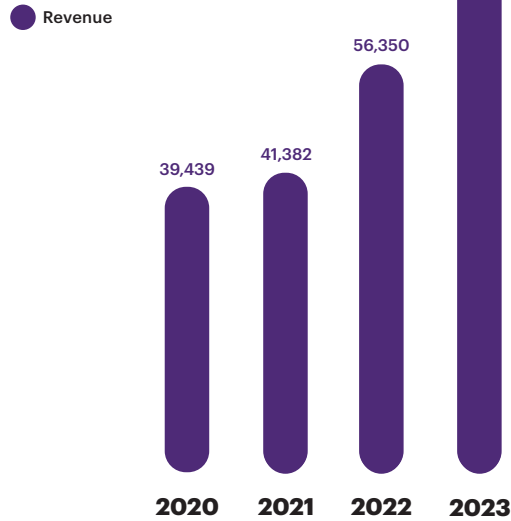


*Including affiliates

Financial highlights.

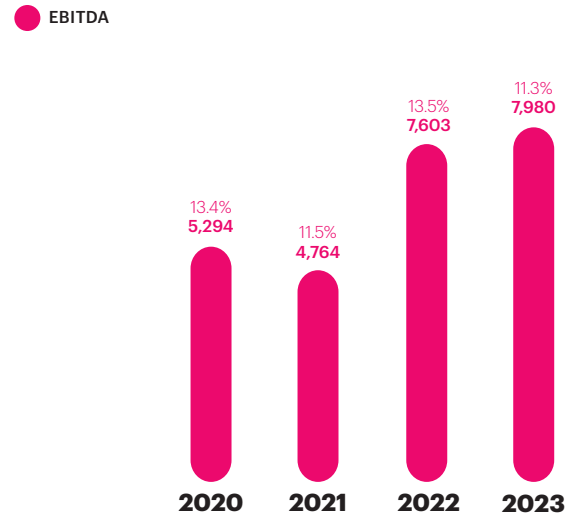
01 Revenue from operation.

In million INR



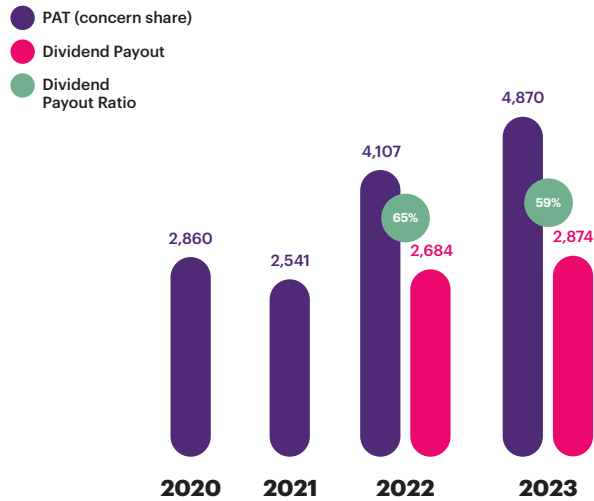
02 EBITDA.

In million INR



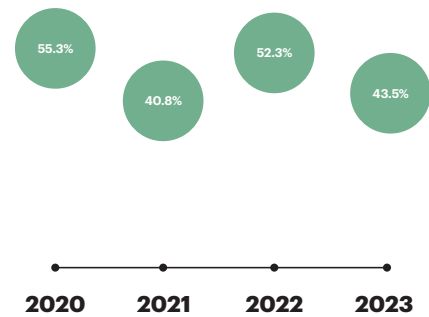
03 PAT and Dividend Payout.

In million INR



04 Return on Average Capital Employed (ROACE).

ROACE



Note: The financial figures for FY 2020-21 represents the domestic wiring harnesses business, as part of Samvardhana Motherson International Limited prior to appointed date for demerger i.e. April 1st, 2021, after making proforma adjustments necessary to reflect the post re-organisation scenario.

Awards.

Maruti Suzuki



Overall Performance



Part Development
Build to Print Category

Honda Cars



Gold Award in
Spare Parts Quality
Cost & Delivery



Best Kaizen
Cost

Toyota



Zero Defect
Supplies



Achieving Targets
in Quality

TATA Motors



Quality Excellence

Ashok Leyland



Gold Award for Best
Performance in Quality



Supplier Samrat

Hyundai Construction Equipment



Best Supplier
Quality Product

Sany



Sustained Performer
on Quality

Komatsu



Significant Contribution

Denso Kirloskar



Quality Zero PPM &
100% Delivery

Dynapac



Decade of Dedication

Hero MotoCorp



Performance Award -
Electrical Proprietary

JCB



Best Performance

AIS Glass



New Product
Development



Achieving Best Quality
& Delivery Targets

Our Purpose:

Together we aim to continuously delight all who put trust in us and go after seemingly impossible goals, so that we provide sustainable opportunities for our associates and are **proud to be part of** something larger than ourselves.

MANAGEMENT DISCUSSIONS AND ANALYSIS

BUSINESS BACKGROUND AND UPDATE

Motherson Sumi Wiring India Limited (MSWIL or the Company) was incorporated on July 02, 2020. FY 2022-23 is the first complete year of operation for MSWIL after scheme of Demerger of Domestic Wiring Harness business by Samvardhana Motherson International Limited (then known as Motherson Sumi Systems Limited) to MSWIL was given effect. MSWIL was listed on BSE and National Stock Exchange on March 28, 2022. As on March 31, 2023, the Company had 685,401 shareholders (March 31, 2022: 678,238 shareholders).

MSWIL is focused on the wiring harness business in the Indian market, offering a wide variety of harnesses for different vehicles including passenger and commercial vehicles, two and three-wheelers, farm equipment and off-road vehicles. The Company portfolio consists of products manufactured using state-of-the-art technology and forward-thinking approaches. We have the capability to accompany our customers throughout their entire product journey. We support our customers right from design to finished products. Our services encompass 3D computer-aided design (CAD), printed circuit board (PCB) design and routing, 3D printing, prototyping, virtual and physical validation and technology implementation support. This enables us to delight our customers every step of the way.

MSWIL has a strong parentage provided by both Sumitomo Wiring Systems, Ltd. (SWS) and Samvardhana Motherson International Limited (SAMIL). Samvardhana Motherson International Ltd. (SAMIL) holds 33.4% and Sumitomo Wiring Systems (SWS), Ltd., Japan holds 25.3% of shares of MSWIL.

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 relevant to MSWIL's Indian wiring harness customers. In addition, through SAMIL, MSWIL benefits from a seasoned and strong professional management team with years of entrepreneurial experience, operational expertise and deep industry knowledge.

Sumitomo Wiring Systems, Ltd. (SWS), a 100% subsidiary of Sumitomo Electric Industries Japan, is a world leader in producing wiring harnesses, harness components and other electric wires. MSWIL benefits from the vast wiring harness expertise of SWS, especially in the area of R&D capabilities and technical knowledge.

The collective backing of SAMIL and SWS establishes a robust framework for MSWIL's sustained growth within the Indian wiring harness segment. MSWIL excels in meeting customer requirements, accommodating industry dynamics, and maintaining a competitive advantage by leveraging the expertise, resources, and collaborative endeavours of these parent companies. With their unwavering support, MSWIL is strategically positioned to forge ahead, capitalising on opportunities and upholding its prominence in the Indian automotive sector.

Our proximity to our customers also aligns us with sustainability goals. OEMs are seeking further localization as an environment friendly & more secure option compared to imports which strengthens supply chain synergies, cut costs & reduce lead times for components. The automotive sector was moving towards a global supply chain model, but the Covid-19 pandemic has resulted in OEMs looking to mitigate supply chain risks & move towards a more localized 'production ecosystem' as a part of contingency planning.

MSWIL is in a favourable position to capitalise on the rapidly evolving trends in the automotive market. The increasing demand for customisation leads to more wiring harnesses per vehicle, increasing content per vehicle. More connectivity features in a vehicle lead to the demand for high-value SMART harness components.

As the demand for sustainable technologies and advanced safety and emission norms rises, the value per harness escalates, and so do the electronics and EV solutions offered by the company. For electric vehicles/alternative powertrains, the company is fully equipped to provide high-voltage solutions, wiring harnesses and components.

Through continuous advancement, MSWIL has cemented its reputation as a trusted provider of comprehensive system solutions. The company remains dedicated to staying at the forefront of technological developments, ensuring its continued commitment to excellence.

Indian Economy outlook

According to the latest India Development Update, a biannual flagship publication by the World Bank, India's growth continues to be resilient despite signs of moderation. The report highlights that India continues to be one of the fastest-growing economies globally, although significant challenges persist in the global landscape. The overall growth remains robust, with an estimated full-year growth rate of 6.9%. The real GDP

grew by 7.7% year-on-year during the first three quarters of the fiscal year 2022-23.

However, there were some signs of moderation in the second half of FY 2022-23. The growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher-income groups. Inflation remained high, averaging around 6.7% in FY 2022-23. Nevertheless, the current-account deficit narrowed in Q3, thanks to the strong growth in service exports and easing global commodity prices.

Despite elevated headline inflation, projections suggest it will decline to an average of 5.2% in FY 2023-24, aided by easing global commodity prices and some moderation in domestic demand. To combat inflation, the Reserve Bank of India has withdrawn accommodative measures and raised the policy interest rate. India's financial sector also remains strong, with improvements in asset quality and robust private-sector credit growth.

S&P Global Ratings recently maintained its forecast for India's economic growth, unchanged at 6 per cent for FY 2023-24 before rising to 6.9 per cent in the following year. In its quarterly economic update for the Asia-Pacific region, S&P projects a decrease in inflation rate to 5 per cent in the fiscal year 2023-24, compared to 6.8 per cent in the current financial year. It also anticipates India's gross domestic product (GDP) to grow by 6.9 per cent in the current financial year 2022-23 before slowing to 6 per cent in the following 2023-24 fiscal. "India leads, with average growth of 7 per cent in 2024-2026," the update said.

Automotive Industry

The performance of the Indian automobile industry during the last five years is as follows:

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Passenger Vehicles	4,028	3,425	3,062	3,651	4,579
Delta % [y-o-y]	-	-15%	-11%	19%	25%
Commercial Vehicles	1,112	757	625	806	1,036
Delta % [y-o-y]	24%	-32%	-17%	29%	29%
Three Wheelers	1,269	1,133	614	758	856
Delta % [y-o-y]	24%	-11%	-46%	23%	13%
Two Wheelers	24,500	21,033	18,350	17,714	19,459
Delta % [y-o-y]	6%	-14%	-13%	-3%	10%

All figures are production volumes in thousands

Source: Society of Indian Automobile Manufacturers (13/04/2023)

On a full-year basis, the highlights of the Indian automotive industry together with future trends are as follows:

- Since the last year, staggered growth has been observed across segments/subsegments in the Indian automotive industry. The market is gradually returning to pre-pandemic levels of functioning.
- Commercial vehicles registered the highest growth, with a 29% year-on-year increase in production compared to the previous fiscal year, followed by Passenger Vehicles at 25% and Three Wheelers at 13% vis-a-vis numbers from the last fiscal year.
- Passenger car sales had been growing significantly before the Covid-19 pandemic hit in 2020. After a brief period of uncertainty, the market is now functioning well above pre-pandemic levels & the forecast for the upcoming years look promising for India, which is defined as a key emerging market till 2026 by S&P Global Mobility.
- An increase in the electrification of vehicles and the banning of fossil fuel vehicles by 2035 is expected to boost the Indian passenger cars market in the future. The governmental subsidies for BEV along with norms, continued encouragement of BEV adoption among private auto owners is making BEV the fastest growing segment in passenger car sales in India.
- Various international auto manufacturers are developing new models to capture customer attention in the Indian automobile market. Such new launches are expected to attract customers, further enhancing the passenger cars market across India during the forecast period.
- The India commercial vehicle market is anticipated to grow at an estimated CAGR of 8.6% in the forecast years 2024-2028, on the grounds of surging freight movements and growing production of commercial vehicles. Higher demands from end use industries for transportation and higher prevalence of public transportation for transits are driving the growth of the India commercial vehicle market in the upcoming five years. Growing investments in the commercial automobile technological advancements also aid the market growth.

REVIEW OF FINANCIALS

Financial results:

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

INR in Million

Heads	Financial Year 2021-22	Financial Year 2022-23	% change
Total revenue from operations	56,350	70,574	25.2%
Cost of goods sold	36,093	46,317	28.3%
Employee cost	9,464	11,831	25.0%
Other expenses	3,490	4,612	32.1%
EBITDA*	7,585	7,980	5.2%
Finance costs (Net of Interest income)	267	221	-17.2%
Depreciation expense	1,055	1,237	17.3%
Profit before tax, before exceptional items	6,263	6,522	4.1%
Exceptional income / (expenses)	(654)	-	
Profit before tax	5,609	6,522	16.3%
PAT	4,107	4,870	18.6%
Earnings per share	0.93**	1.10	18.3%

* Earnings before interest income, interest expense, tax, depreciation and exceptional items

** Earnings per share is calculated after considering the impact of issuance of bonus shares in FY22-23

Sourcing and other arrangements:

Over the years of operations & the vertical integrations, joint venture partners have achieved various synergies in the wiring harness business such as high quality, timely delivery, knowledge enhancement, research & development etc. MSWIL is also having vertical integrations with various businesses of Samvardhana Motherson International Limited (SAMIL) and Sumitomo Wiring Systems Limited, Japan (SWS). 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.

In continuation to the above, SAMIL and MSWIL have a central team for some of the key functions in the areas of design and development services, 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.

Further, as part of the reorganisation scheme, the Company has entered into long-term leasing arrangements for taking land as well as premises on lease to operate factories. The lease rentals for these land and premises have been accounted for as per valuation by independent valuer and by following Accounting Standard Ind AS 116.

The Company has diverse customer portfolio in the domestic market and is serving different segments of the industry. The segment wise breakdown of Company's revenues for the year 2022-23 is as follows:

Sr. No.	Segment	% Breakdown
1	Passenger car market	58%
2	Commercial vehicles	12%
3	Two wheeler	12%
4	Special products groups such as off road vehicles, tractors etc.	7%
5	Others including tier 1/ 2 suppliers	11%
	Total	100%

Major cost contributors

Cost of Material

For the financial year ended March 31, 2023, the cost of materials was INR 46,317 million against INR 36,093 million for the corresponding previous financial year ended March 31, 2022.

As a percentage of revenue, the cost of materials was 65.6% for the fiscal year ended March 31, 2023, which has increased as compared to 64.1% for the previous year ended March 31, 2022.

During the FY 2022-23, the industry witnessed:

- The key raw material for Wiring Harness is Copper and the price of the same is linked to LME (London Metal Exchange). Company witnessed a significant increase in copper prices. However, the Company has a pass-through arrangement for copper with a time lag, mostly a quarter.

- Further, the Company faced pricing pressure from component suppliers for increasing the prices due to increased commodity prices and inflationary pressures in developed countries.
- Freight cost continues to be at escalated level.

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 for the year ended March 31, 2023 is 16.8% of the revenue which is in line with previous year of 16.8% of total revenue for the previous year. The employee cost has increased in absolute amount; with increase in head counts for increase in capacity due to new plants and expansion in existing plants, and revision in minimum wages in many of the states. For the year 2022-23, the Company reimbursed / shared with SAMIL its share of common expenses of INR 419 million at cost.

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 2022-23, other expenses were 6.5% which has marginally increased from 6.2% in previous year. The expense is increased mainly due to purchases of stores and spares because of new launches of customer models. For the year 2022-23, the Company reimbursed / shared with SAMIL its share of common expenses of INR 451 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 in India. During the year 2022-23, the company has provided, an amount of INR 395 million towards management fees to SAMIL, equivalent to the amount of royalty to SWS.

Finance Costs

Finance costs consist primarily of interest expenses on borrowings and finance leases. Total finance costs (net of Interest income) of INR 221 million for FY 2022-23 (INR 267 million for FY 2021-22) included finance costs of INR

199 million in FY 2022-23 (INR 203 million in FY 2021-22) provided for in respect of operating lease (including costs relating to lease arrangements with SAMIL in respect of premises used by MSWIL).

Exceptional expenses

There is no exceptional expense for the year ended March 31, 2023. Exceptional expenses 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, 2023, depreciation expenses were INR 1,237 million in comparison to INR 1,055 million for the previous year ended March 31, 2022.

Income Taxes

The provision for current tax for the FY 2022-23 amounted to INR 1,703 million (INR 1,626 million in FY 2021-22) and after providing for deferred tax credit of INR 51 million in FY 2022-23 (INR 124 million in FY 2021-22), the total tax charged to P/L account amounted to INR 1,652 million in FY 2022-23 (INR 1,502 million in FY 2021-22).

Financial position:

INR in Million

Financial Position	March 31, 2022	March 31, 2023
Property, plant and equipment	1,789	3,065
Right-to-use assets	2,532	2,727
Capital work-in-progress	323	270
Other assets		
- Inventories	9,600	12,096
- Trade receivables	6,593	8,004
- Cash & bank balance	2,933	361
- Other assets	1,847	2,454
Total assets	25,617	28,977

INR in Million

Financial Position	March 31, 2022	March 31, 2023
Liabilities (other than loans)	11,643	11,946
Net assets	13,974	17,031
Source of funding:		
Net worth	11,146	13,305
Debt outstanding		
- Short-term loan	193	740
- Long-term loan	-	78
External debt	193	818
Less cash & bank balance	(2,933)	(361)
Net external debt	(2,740)	457
- Lease liabilities	2,635	2,908
Total debt including lease liability	(105)	3,365
Capital expenditure (Net of disposals)	1,008	1,977

Inventory levels were higher due to continued uncertainty on supply chain and ramp-up of the new models.

Incremental working capital and CAPEX requirements have been largely funded with internal accruals.

All other movements are in line with increase in revenue or operations of the company.

CAPITAL EXPENDITURE

During the financial year 2022-23, the Company incurred capital expenditure of INR 1,977 million (INR 1,008 million in FY 2021-22) which has been financed from internal accruals within the Company. Total capital expenditure includes INR 666 million utilised for new plant at Chennai and Noida locations (INR 307 million utilised for new plant at Chennai location in FY 2021-22), remaining INR 1,311 million for addition in Property Plant and Equipment (PPE) for capacity enhancement as well as other customer related/ improvement projects in existing plants (INR 701 million was for capacity enhancement as well as other customer related/ improvement projects in FY 2021-22).

CASH FLOW

During the financial year 2022-23, the Company generated a positive cash flow position after meeting operating expenses including capital expenditure. The operating cash flows (before working capital) for FY 2022-23 were INR 7,935 million (INR 7,580 million in FY 2021-22)

and CAPEX of INR 1,977 million in FY 2022-23 (INR 1,008 million in FY 2021-22). The following table summarises the company's cash flows for the current year and the previous year.

Cash Flow statement:

Particulars	FY 2021-22	FY 2022-23
Cash flow from operations	7,623	4,011
Taxes paid	(1,962)	(1,775)
Exceptional income / (expense)	(654)	-
Cash flow from operating activities	5,007	2,236
Capital Expenditure (Net of disposal)	(1,008)	(1,977)
Interest received	-	40
Cash used in Investing activities	(1,008)	(1,937)
Interest paid	(310)	(272)
Proceeds / (repayments) of borrowings	(679)	649
Payment of lease liabilities	(450)	(571)
Dividend paid	-	(2,677)
Cash flow from / (used in) financing activities	(1,439)	(2,871)
Net Increase/(Decrease) in Cash & Cash Equivalents	2,560	(2,572)
Net Cash and Cash equivalents at the beginning of the year	373	2,933
Cash and cash equivalents as at the end of the year	2,933	361

Operating Activities

Net cash generated from operating activities during FY 2022-23, was INR 2,236 million (INR 5,007 million in FY 2021-22). Cash generated from operations before changes in working capital & income tax was INR 7,935 million in FY 2022-23 (INR 7,580 million in FY 2021-22).

Investing Activities

Net cash flow utilised in investing activities during FY 2022-23, was INR 1,937 million (INR 1,008 million in FY 2021-22). This was primarily utilised for capital expenditure that includes INR 895 million for new plant at Chennai and Noida locations (INR 307 million utilised for new plant at Chennai location in FY 2021-22), INR 1,082 million for addition in Property Plant and Equipment (PPE) for capacity

enhancement as well as other customer related/ improvement projects in existing plants, (INR 701 million was for capacity enhancement as well as other customer related/ improvement projects in FY 2021-22). The expense is partially set off by interest income of INR 40 million.

Financing Activities

Net cash flow utilised in financing activities during FY 2022-23, was INR 2,871 million (INR 1,439 million in FY 2021-22). This includes payment of dividend of INR 2,677 million, payment of interest of INR 73 million and payment of rent of INR 770 million (INR 786 million for repayment of borrowings as well as interest and INR 653 million payment of rent in FY2021-22). The expense is partially set off by net proceeds from borrowing of INR 649 million.

Ratio Analysis:

Key Ratios	FY 2021-22	FY 2022-23	% change
Trade Receivable Turnover (days)	43	37	-14.0%
Inventory Turnover (days)	88	84	-4.5%
Trade Receivable Turnover (in times)	8.38	9.62	14.8%
Inventory turnover (in times)	4.10	4.27	4.1%
Interest Coverage Ratio (in times)	26.68	28.71	7.6%
Current ratio (in times)	1.65	1.66	0.6%
Debt Equity Ratio (in times)	0.25	0.28	12.0%
Operating Profit Margin (%)	11.2%	9.3%	-17.0%
Net profit Margin (%)	7.4%	6.9%	-6.8%
Net Debt [^] to EBITDA (in times)	(0.01)	0.4	-4100.0%

[^] including lease liabilities

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

Reasons for change of 25% or more as compared to the immediately previous financial year:

NET Debt to EBITDA (in times)

Net debt as on March 31, 2022 was negative INR 105 million, hence the ratio is not comparable.

DIVIDEND PAYOUTS

The Company has paid final cash dividend of INR 2,684 million during the year. The Company proposed a dividend of INR 0.65 per share for FY 2022-23 which will be paid after approval at the ensuing annual general meeting. The dividend payout ratio for FY 2022-23 is 59% of profits (65% of profits in FY 2021-22).

RISK MANAGEMENT

Risks are an integral part of business growth and mitigating risks from all the directions is one of the challenges that the company targets. It is very important to have a Risk Management process in place with an objective to create an operational environment with a systematic, enterprise risk management at all levels of organization. Risk management and mitigation efforts must be calibrated according to the likelihood of exposure and the potential downside of an incident. The Company has set up a Risk Management Committee (RMC) at the board level to periodically review operating, financial, regulatory, IT 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 business and financial 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.
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.
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: These could relate to Unauthorized access and breach of Company's IT system and resources, theft of critical data etc.

The commitment to the company's code of conduct covering ethics, anti- bribery policies and newly added climate change impact analysis is core to risk evaluation and mitigation process.

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.
- d) With the support of technology using Data Analytics tools, the coverage and scope of internal audit has been further enhanced.

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 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 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.

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. 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.

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, 2023

HUMAN RESOURCES

Employees: Our Valued Brand Ambassadors

MSWIL takes immense pride in embodying the benevolent spirit captured by the timeless adage, "for those who live magnanimously, the entire world constitutes but a family." Just like any family, MSWIL's work-family is a harmonious blend of individuals with diverse traits and personalities who have been instrumental in our evolution as a successful company and a prominent player in the automotive industry.

Our employees consistently go the extra mile and put in additional hours of work, enabling us to earn accolades from our valued customers. It is no surprise that we place great importance on our people and strive to incorporate all aspects of employee experience within our organizational framework.

Building Trust and Ethical Practices and Promoting Diversity

Operating within a healthy atmosphere, we strictly adhere to business ethics principles and uphold human rights standards. We remain committed to operating ethically, responsibly, and sustainably. Our adherence to laws, rules, and the MSWIL Code of Conduct guides our everyday work. We foster open dialogue to address concerns and resolve issues, providing platforms such as “We Listen” programs that empower employees to raise their voice anonymously or confidentially against actions or behaviours contrary to our values. We embrace diversity in thought, experiences, values, skills, and perspectives, recognizing that it is our collective strength.

Investing in Growth

We acknowledge the importance of continuously upgrading the skills and competencies of our employees. MSWIL treasures its people, ensuring their holistic development through a comprehensive 360-degree learning approach. This involves imbibing knowledge not only from formal channels but also through collaborative learning among colleagues, senior management, and subordinates, fostering the seamless transfer of tacit knowledge throughout the organization. Cross-border collaboration and the sharing of best practices from group further enrich this vibrant learning ecosystem.

MSWIL’s unwavering commitment to continual improvement is ingrained in its very essence. The organization relentlessly pursues progress, striving to enhance the lives of its employees through a favourable work environment characterized by fairness, discipline, safety, and clarity of roles. This cultivates trust, transparency, and accountability within the workforce, while rewarding smart work based solely on meritocracy. MSWIL takes great pride in the success stories of its employees, many of whom have risen through the ranks, starting their journey on the shop floor. This approach fosters a sustainable employee outlook, mitigating risk throughout the employee lifecycle and bolstering overall business performance.

Empowering Growth and Professional Fulfilment

Our success stems from the passionate individuals who power our organization. With over 40,000 diverse employees, we leverage their knowledge and perspectives to make a meaningful impact. We take

responsibility for their growth and ensure their personal goals align with their professional development. Through comprehensive training and recognition programs, we cultivate their skills, reward their efforts, and support their career aspirations.

In the pursuit of knowledge, skills serve as the crucial steppingstones toward achieving quality improvements. At MSWIL, employees at all levels, regardless of their positions, actively participate in various skill development programs. This includes comprehensive classroom training designed to enhance dexterity, memory, and quick decision-making. To further augment the skills of trained staff, we have also developed and deployed a web-based e-learning platform.

The organization’s history boasts of the measures it has adopted to ensure continual skill enhancement for its associates as well. The Annual Wiring Harness Skill Competition instils a sense of victory and motivating employees to hone their skills through constant practice. Moreover, the organization has devised various internal activities, rewards, and recognition programs to inspire and motivate its employees.

Fostering Collaboration and Productivity

At MSWIL, we understand that an organization’s progress relies on engaging the hearts and minds of its people. Effective employee engagement is a strategic investment in our productivity and performance. By aligning engagement practices with our vision, mission, and values, we strengthen connections among individuals, processes, and products, yielding remarkable outcomes. Quality Circles embody the spirit of teamwork and passion for problem-solving, empowering employees to present their best work to the world.

Through Quality Circles the organization is involving and evolving its employees in this movement, fostering a solution-oriented approach, and equipping them with diverse problem-solving techniques. For harbouring the culture of innovation and creativity, the Innovations Awards are awarded to the most Innovative Technical Paper among many based on the improvement done in the process in the past fiscal year. MSWIL encourages its employees to share their feedback regarding any improvements in their respective processes or outside the ambit of their work under its Suggestion Scheme. A panel of experts review the ideas received and if feasible implement them at the workplace. Kaizens are yet another powerful dose to enhance the thinking power of the employees.

Employee Health, Safety and Well-being:

Safety transcends mere terminology, signage, or labelling—it is a fundamental mindset ingrained within MSWIL. From the moment an employee joins our company, we prioritize the inculcation of safety through comprehensive induction sessions, sensitizing and acquainting them with our established safety practices.

The responsibility and accountability for a secure and healthy workplace lie with each individual. Responsible work performance begins with our management systems, policies, and procedures designed to uphold a safe working environment for all employees. The collective and unwavering commitment of every employee towards safety, health, and the environment directly contributes to enhanced performance, superior service quality, and ultimately, customer satisfaction.

To ensure the unwavering commitment to safety, MSWIL conducts various campaigns across its units, aiming to make safety non-negotiable and identify and eliminate potential hazards at the worksite. Emphasizing the use of safety equipment and devices, we foster an environment where employees prioritize not only their own safety but also the safety of their peers. These initiatives are carried out in an engaging manner, incorporating safety quizzes, poster-making competitions, skits, and role plays.

We encourage employees to actively report any unsafe practices, procedures, or conditions to their supervisors, fostering a culture of maintaining a safe workplace.

Regular safety audits are conducted, and specialized training modules are designed for new employees to provide insights into safety norms and ensure adherence. Comprehensive work permits covering all safety aspects are issued to employees before, during, and after their tasks. MSWIL places great emphasis on safety management, employee training, and injury prevention. Annually, we observe a Safety Week across all units (this year from 4th to 10th March, 2023) under the theme of "Making the workplace Safe, Secure & Injury Free." A series of programs and activities, including safety training sessions for staff, drivers, and forklift operators, are conducted. We also extend safety awareness training to external contractors such as canteen, housekeeping, and security personnel. Additionally, safety banners

are displayed, safety badges are distributed, a quiz competition on safety measures is organized, and a safety march is conducted for workers on the shop floor across various units.

Creating a Nurturing and Supportive Workplace

In conclusion, MSWIL is steadfast in its commitment to creating a safe and nurturing work environment, fostering an atmosphere where employees can flourish and excel. We go above and beyond to ensure the holistic development of our people, organizing a multitude of engaging events such as the Annual Cricket Tournament, Annual Painting Competition, Poster competitions, Rangoli competitions, and In-Sync Quiz Competition. These activities not only promote creativity and camaraderie but also serve as platforms for recognizing outstanding achievements in various fields. Our Annual Day celebration brings together thousands of employees from diverse units, uniting them as one big family and instilling a profound sense of pride while motivating others to strive for excellence. At MSWIL, hard work is celebrated with utmost fervor, ensuring that our organization embraces a culture of jubilation and togetherness. As we forge ahead on our growth trajectory, the well-being and triumph of our employees will forever remain at the forefront of our priorities. Their invaluable contributions continue to shape our success, and we are immensely proud to have them as part of our remarkable journey.

OPPORTUNITIES AND FUTURE PROSPECTS

Indian automotive sector is very dynamic in terms of safety, following global standards, green energy, environment friendly, customer satisfaction, price sensitivity and to achieve the same objective, MSWIL brings platform to offer solutions to OEMs in India, with technical support from Sumitomo Wiring Systems Limited, Japan and functional support from SAMIL. With the support from both JV partners and customer's confidence earned with consistent performance on QCDDMSES, 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 and tax + Finance costs (net of interest income) + Depreciation expense
PBT	Profit before exceptional items and tax
Trade Receivable Turnover (days)	$[\text{Average trade receivables} / (\text{Gross credit sales} - \text{Sales return})] \times 360$ Average trade receivables = $(\text{opening trade receivables} + \text{Closing trade receivables})/2$
Inventory Turnover (days)	$[\text{Average inventory} / \text{Cost of goods sold}] \times 360$ Average inventory = $(\text{Opening inventory} + \text{Closing inventory})/2$
Trade Receivable Turnover (in times)	$[(\text{Gross credit sales} - \text{Sales return}) / \text{Average trade receivables}]$
Inventory turnover (in times)	$[\text{Cost of goods sold} / \text{Average inventory}]$
Interest Coverage Ratio	$[\text{EBITDA} / \text{Finance Costs}]$
Current Ratio	$[\text{Current assets} / \text{Current liabilities}]$
Debt Equity Ratio	$[\text{Total Debt (Long term borrowing including current maturities} + \text{short term borrowing} + \text{Lease liabilities})} / \text{Total equity}]$
Operating Profit Margin	$[(\text{Profit before tax} + \text{Finance costs} + \text{Exceptional items (income)} / \text{expense} - \text{Interest income}) / (\text{Total sales} - \text{Sales return})] \times 100$
Net Profit Margin	$[\text{Net Profit} / (\text{Total sales} - \text{Sales return})]$
Net Debt to EBITDA	$\text{Net Debt (Total Debt} - \text{Cash and cash equivalents})} / \text{EBITDA}$

BUSINESS RESPONSIBILITY SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity		
1.	Corporate Identity Number (CIN) of the Listed Entity	L29306MH2020PLC341326
2.	Name of the Listed Entity	Motherson Sumi Wiring India Limited
3.	Year of incorporation	2020 (date of Incorporation - July 02, 2020)
4.	Registered office address	Unit - 705, C Wing, ONE BKC, G Block Bandra Kurla Complex, Bandra East Mumbai - 400051, Maharashtra (India)
5.	Corporate address	Motherson Corporate Tower, Plot no. 1, 5 th Floor, Sector 127, Noida - Greater Noida Expressway, Noida-201301, UP India
6.	E-mail	investorrelations@mswil.motherson.com
7.	Telephone	+91-120-6679500
8.	Website	www.mswil.motherson.com
9.	Financial year for which reporting is being done	Financial Year 2022-23 (April 01, 2022 to March 31, 2023)
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11.	Paid-up Capital	INR 4,421 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:

Company is a part of Motherson Group and follows policies and procedures as laid down for the whole group. BRSR activities are being carried out and are getting monitored by Central Sustainability Team of Motherson. For any queries following persons may be referred to:

<p>1. Mr. Barrie Painter Phone: +91-120-6679500 E-mail: sustainability@mswil.motherson.com Chief Sustainability Officer Mr. Barrie Painter is a Chief Sustainability officer at Motherson group. Mr. Painter is heading all sustainability and ESG development goals of Motherson Group and ensures the implementation of same.</p>	<p>2. Mr. Anurag Gahlot Chief Operating Officer Phone: +91-120-6752100 E-mail: sustainability@mswil.motherson.com Mr. Anurag Gahlot spearheads the alignment of ESG actions within MSWIL (Motherson Sumi Wiring India Limited) with the group's overarching goals.</p>
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13. Reporting boundary-

The Company has no investment in any subsidiary, associate and joint venture, hence reporting disclosures are on Standalone basis.

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	98%

III. Operations

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

Location	Number of plants*	Number of Offices	Total
National	26	4	30
International	-	-	-

* Plants include all operational unit (manufacturing plant, module centres, assembly centres, unit for service businesses), tech centres and representative offices.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	16 States and 3 Union Territories
International (No. of Countries)	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?

Negligible (Zero)

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 2022-23

The company categorises its employees as Associates who are directly working in production and do not term them as workers.

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

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	3066	2607	85%	459	15%
2	Other than Permanent (E)	25	14	56%	11	44%
3	Total employees (D + E)	3091	2621	85%	470	15%
ASSOCIATES (WORKERS)						
4	Permanent (F)	1530	1004	66%	526	34%
5	Other than Permanent (G)	39081	20202	52%	18879	48%
6	Total Associates (Workers) (F + G)	40611	21206	52%	19405	48%

Note: All the Workforce 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)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	7	6	86%	1	14%
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	7	6	86%	1	14%
DIFFERENTLY ABLED ASSOCIATES (WORKERS)						
4	Permanent (F)	8	5	63%	3	38%
5	Other than Permanent (G)	7	2	29%	5	71%
6	Total differently abled Associates (Workers) (F + G)	15	7	47%	8	53%

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

(Disclose trends for the past 3 years)*

	FY 22-23			FY 21-22		
	(Turnover rate in current FY)			(Turnover rate in previous FY)		
	Male	Female	Total	Male	Female	Total
Permanent Employees	10.4%	14.0%	11.0%	12.0%	18.0%	13.0%
Permanent Associates (Workers)	4.7%	6.8%	5.4%	10.0%	9.0%	10.0%

*Domestic Wiring Harness Division of Samvardhana Motherson International Limited (earlier known as Motherson Sumi Systems Limited) was demerged in the year 2021-2022 with the Appointed date of April 1, 2021 with the company, thus information is presented for the year 2021-22 and 2022-23.

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	NA	Nil	NA

VI. CSR Details

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

(ii) Turnover (in Rs.) – INR 70,226 million for FY 2022-23

(iii) Net worth (in Rs.) – INR 13,305 million for FY 2022-23

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Re-remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Re-remarks
Communities	Yes	-	-	NA	-	-	-
Investors (other than shareholders)	Yes	-	-	NA	-	-	-
Shareholders	Yes	-	-	NA	-	-	-
Employees and workers	Yes	6	0	POSH Cases	2	1	-
Customers	Yes	-	-	NA	-	-	-
Value Chain Partners	Yes	-	-	NA	-	-	-
Others (please specify)	NA	-	-	NA	-	-	-

* The policies guiding the Company's conduct with all its stakeholders, including grievance mechanisms are placed on the Company's website: For detailed policies for grievance redressal mechanism please refer to <https://www.mswil.motherson.com/performance/investors> and <https://www.mswil.motherson.com/performance/investors/queries-and-grievances>.

For detailed policies for Human Rights please refer to the <https://www.mswil.motherson.com/storage/policies/Human-Rights-Policy.pdf>

24. Overview of the entity's material responsible business conduct issues

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste generation from operations	Opportunity & Risk	<p>O - Benefit Environment by reducing waste, manage unavoidable waste, improved economic circularity and performances</p> <p>R - Increase in waste could increase cost and adversely impact environment and reputation</p>	Intent to enhance and optimise process for unavoidable waste management.	Positive impact
2	Water	Opportunity & Risk	<p>O - Reduction in consumption of water</p> <p>R - Operating in water stressed areas.</p>	Increasing the Rain water Harvesting capabilities and actively reducing consumption.	Positive Impact
3	Climate and environmental action	Opportunity & Risk	<p>O - Proactivity as a sustainable solution provider enabling growth</p> <p>R - Global warming and industry transition, failure to meet stakeholder expectations.</p>	Climate change and industry transition is now embedded in company risk management process. Decarbonisation ambition established across the group.	Negative impact
4	Energy	Opportunity & Risk	<p>O - Improved efficiency/ reduced consumption and enhance usage of renewable energy.</p> <p>R - Increasing energy costs and potential availability</p>	Active energy management alongside transition to ISO 50001	Positive impact
5	Emission management	Opportunity & Risk	<p>O - Potential competitive advantage from engaging proactively to address scope 3.</p> <p>R - Challenging roadmap to address scope 3 emissions</p>	Clear roadmap for scope 1 &2 and collaboration strategies in process to address scope 3	Positive 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)
6	Circular Economy	Opportunity & Risk	O - Opportunities to reduce, recycle and reuse material and products to provide both commercial and environment benefits R - Economic Demerit in implementing circularity.	Proactive engagement with customers and suppliers to identify and realise potential to create economic circularity.	Positive impact.
7	Materials	Opportunity & Risk	O - Use of NextGen, reclaimed, recycled, and repurposed materials R - Risk of supply and availability of feed stock of current and future materials	Develop new materials and collaborations with both customers and supplier/partners	Positive impact.
8	Supply Chain Environmental Sustainability	Opportunity & Risk	O - New sustainable solutions R - Challenging environment to address scope 3 and introduce sustainable materials.	The company is engaging and collaborating with value chain partners to address challenges emerging out of environmental impact.	Positive & Negative Impact
9	Employee Safety	Opportunity	O - Continuous levelling up across the entity to Health and Safety best practices in line with our global OHS principles.	Engaging in continuous dialogues with stakeholders is an ongoing initiative aimed at achieving superior safety standards. By prioritizing safety, we strive to maintain a proactive approach that keeps us ahead in safety initiatives.	Positive Impact
10	Human Rights	Risk	R - Potential short term business interruption associated with any accusations of breach of Human Rights	Committed to UNGC principles and global deployment on the Human Rights policy	Negative 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)
11	Diversity & Inclusion	Opportunity	O - targetting to increase the diversity across the level.	Improved employer branding to attract a diverse talent pool	Positive impact
12	Supply Chain Social Responsibility	Risk	R - Integration of Motherson principles and policies to the supply chain	To improve transparency on adherence to Motherson principles and policies	Positive impact
13	Community	Opportunity & Risk	O - Talent attraction and retention R: Local issues may impact employees & operations R - Potential for geopolitical/regional/ economic disruption.	Expand focus on local issues at site level, supported by regional offices.	Positive Impact
14	Employee Engagement	Opportunity & Risk	O - Increased loyalty, productivity and empowerment of employees R - Employee satisfactions and retention.	Standardised employee engagement process.	Positive Impact
15	Financial Performance	Opportunity & Risk	O - Ability to invest in growth and achieve sustainability ambitions. R - Generate more resources to fund our Future Growth.	Focus of ROCE and free cash generation.	Positive Impact
16	Risk Management	Opportunity & Risk	O - Continous Evaluation of risks and mitigation plan to avoid negative business performance and capitalize on opportunities R - Growth and diversification strategy could increase threat of anomalies/ fragmentation in Risk Management for the group.	Proactively focus and enhance process to ensure risk management is embedded into our business process.	Positive 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)
17	Ethics and Compliance	Risk	R - Risk with respect to maintaining adherence to changing regulatory requirements and potential for resulting reputational damage.	To keep updating the changes to regulatory requirements as well as have system for monitoring the same.	Negative Impact
18	Products and Innovation	Opportunity & Risk	O - Product enhancement, diversification and value add aligned to industry trends R - Failure to meet customer expectations in terms of product sustainability.	Product and innovation roadmapping process aligned to customer requirements.	Positive Impact
19	Management systems	Opportunity	O - Increased efficiency, agility, consistency and productivity across the entire enterprise	Continual upgradation of skills of the people and adoption of relevant pertinent methods and technologies.	positive impact

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
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, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Company follows and is certified with ISO14001:2015 & ISO45001:2018 for its various sites.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Implementation of water preservation initiatives in its facilities by 2030 Net carbon zero in own 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.	We have established 2030 as a major review milestone of our progress towards our set targets								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer Page No. 15 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 & Mr. Anurag Gahlot are responsible for implementation and oversight of Business Responsibility policy(ies) for the Company under the supervision and direction of Sustainability Committee of the Company.								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
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 4 directors including one Independent director.								
		Name of the Director			Designation in Committee			Status		
		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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually

11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
		No	No	No	No	No	No	No	No	No

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

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

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 programs held	Topics / Principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	2	Board of Directors of the company have been made aware of various topics viz regulatory changes, Business environment, Risk management in the company, roles and responsibilities of Directors, Code of conduct for Directors	100%
Key Managerial Personnel	2	Policy Training and Affirmation on an annual basis. The team is made aware about various topic viz regulatory changes, Risk management in the company and Policy related training.	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 the company . To complement the Code, company has a suite of policies related to ethics, transparency and accountability which include whistle-blower, related party transaction, prevention of harassment, data protection, competition and anti-trust, anti-bribery/ gifts/ meal/ entertainment, human rights, 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.	78%

Segment	Total number of training and awareness programs held	Topics / Principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Associates (Workers)	7	A similar framework exists for the associates as it does for the category of Employees. In addition, there are related training initiatives that focus on specific on-the-job related skills and competence development.	83%

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

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NA	NA	NA	NA
Settlement	NIL	NA	NA	NA	NA
Compounding fee	NIL	NA	NA	NA	NA
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA

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.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

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:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

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

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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

Not Applicable

Leadership indicators

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

Total number of training and awareness programs held	Topics / Principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
1	Total 15, Business Principles, Environment Principles, Human Rights and Workplace Practices	100%

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 for 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.

	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R&D	4%	35%	Current Year Expenditure has been incurred mainly for the - 1. Development of EV ECO-SYSTEM. 2. Focus on Eco-friendly energy generation. Previous year R&D expenditure was mainly to support OEMs for introducing vehicles with less emission (like Bharat VI etc),as well as establishing EV ecosystem.
Capex	3%	4%	

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.

The Company sources large portion of its raw materials and components from Samvardhana Motherson International Limited (“SAMIL”) which is driving the group sustainability commitment including that of MSWIL. 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?

93% of our top suppliers (constituting 80% of our sourcing of components/raw material in value terms) are ISO14001 certified and 79% of such suppliers are ISO45001 certified.

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?**

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

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.

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 2022-23

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

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
None	N/A	N/A

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.

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

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	N/A	N/A	N/A	N/A	N/A	N/A
E-waste	N/A	N/A	N/A	N/A	N/A	N/A
Hazardous waste	N/A	N/A	N/A	N/A	N/A	N/A
Other waste	N/A	N/A	N/A	N/A	N/A	N/A

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

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category		
None	N/A	N/A	N/A

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	
		Numbers (B)	% (B/A)	Numbers (C)	% (C/A)	Numbers (D)	% (D/A)	Numbers (E)	% (E/A)	Numbers (F)	% (F/A)
Permanent employees											
Male	2607	2607	100%	2,607	100%	0	0%	0	0%	0	0%
Female	459	459	100%	459	100%	459	100%	0	0%	247	54%
Total	3066	3066	100%	3066	100%	459	100%	0	0%	247	8%
Other than permanent employees											
Male	14	14	100%	14	100%	0	0%	0	0%	0	0%
Female	11	11	100%	11	100%	11	100%	0	0%	0	0%
Total	25	25	100%	25	100%	11	100%	0	0%	0	0%

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

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

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)
Permanent Associates (Workers)											
Male	1004	1004	100%	1,004	100%	0	0%	0	0%	0	0%
Female	526	526	100%	526	100%	526	100%	0	0%	214	41%
Total	1530	1530	100%	1530	100%	526	100%	0	0%	214	14%
Other than permanent associates (Workers)											
Male	20202	17,131	85%	9,642	48%	0	0	0	0%	0	0%
Female	18879	16,127	85%	8,590	46%	16276	86%	0	0%	0	0%
Total	39081	33258	85%	18232	47%	16276	86%	0	0%	0	0%

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

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

Benefits	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
Employee State Insurance	100%	100%	Y	100%	100%	Y
Others, please specify	-	-	N.A	-	-	N.A

All eligible employees are covered under relevant benefit. All the deductions are timely deposited with the authority.

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 have infrastructure for differently abled individuals and other adaptations on a case-by-case basis.

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 Company's Code of Conduct and Inclusion and Diversity can be accessed at <https://www.mswil.motherson.com/performance/investors/policies>. Within the Code of Conduct and Inclusion and Diversity Policy Company emphasizes the importance of Equal Employment Opportunity. The Company is committed to providing a fair and inclusive environment for all individuals associated with it, guided by its policies and practices. Recognizing that a diverse range of backgrounds, opinions, and talents enriches the organization and contributes to its success, the Company places great value on fostering diversity in the workplace.

Furthermore, the Company acknowledges the significance of upholding and promoting fundamental human rights across all its operations. It ensures the provision of fair and equitable wages, benefits, and other employment conditions. Each individual is recognized, respected, and valued for their unique contributions within the organization. The Company understands and appreciates the distinct roles that each person plays in driving its business success and growth. With confidence in the skills and abilities each individual brings, the Company remains optimistic about their collective contribution to the overall development of the organization.

By adhering to its Code of Conduct, the Company is dedicated to cultivating a workplace that champions equal opportunities, diversity, respect, and teamwork. These principles serve as guiding principles in the Company's daily operations and underscore its commitment to maintaining a positive and harmonious work environment.

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

Gender	Permanent employees		Permanent associates (workers)	
	Return to work rate	Retention Rate*	Return to work rate	Retention Rate
Male	-	-	-	-
Female	88%	75%	100%	80%
Total	88%	75%	100%	80%

*The calculation of the retention rate is based on data collected from FY 2021, taking into account the requirement of employees working for 12 months after returning from maternity leave. Employees left for better prospect.

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

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

MSWIL has established a comprehensive grievance redressal mechanism that encompasses various channels for receiving and addressing grievances. These mechanisms are designed to provide employees with multiple avenues to express their concerns and suggestions. Various working groups, such as employee consultative committees,, health and safety committees, canteen committees, and welfare committees, have been established to address specific employee matters. These committees facilitate discussions and provide platforms for employee input. The human resources function within MSWIL plays a crucial role in impartially investigating and fact-finding with regard to any employee grievances, acting as an internal due diligence mechanism. Additionally, there are mechanisms in place to facilitate anonymous or private submissions through designated email addresses and/or telephone numbers. Furthermore, MSWIL has a dedicated Whistle-Blower Policy that serves as a formal platform for confidentially reporting and investigating grievances. This policy ensures that employees have a secure channel to raise concerns without fear of reprisal.

Lastly, MSWIL has a comprehensive policy on the prevention, prohibition, and redressal of sexual harassment in the workplace. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, units have Internal Complaints Committees (ICCs) responsible for conducting inquiries related to such complaints. These committees play a crucial role in ensuring a safe and inclusive work environment.

Overall, grievance redressal mechanisms provide employees with various avenues to raise concerns, seek resolution, and contribute to a positive and respectful work culture.

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

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

Category	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	3,066	0	-	2,853	0	-
Males	2,607	0	-	2,361	0	-
Females	459	0	-	492	0	-
Total Permanent Workers	1,530	0	-	1,285	0	-
Males	1004	0	-	816	0	-
Females	526	0	-	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 rather has various participatory forums wherein employee participate in decision making.

8. Details of training given to employees and workers:

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	On Health & Safety measures		On Skill Upgradation		Total (D)	On Health & Safety measures		On Skill Upgradation	
		No. B	% (B/A)	No. C	% C/A)		No. E	% (E/D)	No. F	% (F/D)
Employees										
Male	2621	2621	100%	2413	92%	2369	1776	75%	1540	65%
Female	470	470	100%	296	63%	502	407	81%	356	71%
Total	3091	3091	100%	2709	88%	2871	2183	76%	1896	66%
Associates (Workers)										
Male	21206	21206	100%	36044	100%	23493	22318	95%	23493	100%
Female	19405	19405	100%	27048	100%	19546	18959	97%	19546	100%
Total	40611	40611	100%	63092	100%	43039	41277	96%	43039	100%

The training provided includes employees who joined and left during the year, including mandatory programs such as health and safety and skill upgradation. Consequently, all employees have participated in these training programs, and some employees have undergone multiple training sessions.

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

Category	FY 23 Current Financial Year			FY 22 Previous Financial Year		
	Total A	No. B	% (B/A)	Total C	No. D	% (D/C)
Employees						
Male	2607	2607	100%	2361	2361	100%
Female	459	459	100%	492	492	100%
Total	3066	3066	100%	2853	2853	100%
Associates (Workers)						
Male	1004	1004	100%	816	816	100%
Female	526	526	100%	469	469	100%
Total	1530	1530	100%	1285	1285	100%

All permanent employees duly undergo performance and career review as per their performance appraisal plan.

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 majority of Motherson's operations have implemented a health and safety management system in the form of certification to ISO45001. There are alternative health and safety management systems that exist which largely map to the ISO standard. Additionally, we have external accreditation with ISO14001 which

form part of or integrated management systems, which also has some substantive cross over to our health and safety outcomes. Apart from this we have also implemented FM global standard for fire management system and follow all SWS safety standards.

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

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

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

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

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

Yes, MSWIL has tie-ups with a network of approved hospitals that are located in close proximity, ensuring easy accessibility. These hospitals are equipped with state-of-the-art facilities and amenities.

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

Safety Incident/ Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.4	0
	Workers	0.3	0.3
Total recordable work-related injuries*	Employees	3	0
	Workers	32	13
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*We have the mechanism in place to report even minor or near misses. These incidents are minor incidents without consequences on production loss days.

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

To ensure a safe and healthy work environment, the entity has implemented several measures as part of their risk mitigation process. These measures include:

- Providing regular safety training to all employees, covering various safety topics.
- Holding weekly safety committee meetings to address safety concerns and discuss preventive measures.
- Consistently reviewing the Hazard Identification and Risk Assessment (HIRA) to ensure its relevance and effectiveness.

- Conducting regular Monthly/Quarterly audits to identify work-related hazards and assess risks.
- Installing safety devices on all machines to mitigate potential risks.
- Performing monthly thermal imaging of electrical equipment and panels using a thermal camera.
- Assessing risks associated with machines and affixing safety stickers on them.
- Implementing a work permit system for activities involving hot work, working at heights, digging, and excavation.
- Providing necessary Personal Protective Equipment (PPE) to eliminate risks.
- Establishing an Emergency Response Team (ERT) to handle any emergency situations that may arise.
- These measures collectively contribute to creating a safe and healthy work environment, minimizing risks and ensuring the well-being of employees.

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

	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NA	NIL	NIL	NA
Health & Safety	NIL	NIL	NA	NIL	NIL	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & 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.

We have implemented various corrective measures to address safety-related incidents and mitigate risks in our workplace. One significant action we have taken is the installation of safety covers and safety sensors on all machines, ensuring that potential risks associated with machine operations are eliminated or minimized.

Additionally, we have modified the safety covers of our C&C machines to further enhance their protective capabilities and reduce any potential risks they may pose. By enhancing the design and functionality of these covers, we have taken proactive steps to prevent accidents and maintain a safe working environment.

To ensure the safety of our employees during maintenance or repair work, we have implemented the LOTO (Lockout-Tagout) system. This system allows us to de-energize all machines and electrical panels before any maintenance or repair activities take place. By following this procedure, we significantly reduce the risk of electrical accidents and provide a safe working environment for our staff.

To address the potential threat of fire, we conduct thermal imaging of 100% of our machines and electrical panels. This proactive measure helps us identify any abnormal heat signatures that may indicate potential fire hazards.

By promptly detecting and addressing such issues, we can effectively control and mitigate the risk of fires in our workplace.

In order to maintain a culture of safety awareness, we regularly organize safety promotional activities. These initiatives aim to educate and raise awareness among our employees about various safety practices, procedures, and potential risks. By actively promoting safety consciousness, we create a work environment where employees are vigilant and actively contribute to maintaining a safe workplace.

Furthermore, we have implemented the use of RCCB (Residual Current Circuit Breaker) 30 mA devices in our electrical installations. RCCBs are safety devices specifically designed to protect against electrical shocks by quickly detecting any imbalance in the electrical circuit and interrupting the power supply. By incorporating RCCBs with a high Earth impedance, we prioritize human safety and minimize the risk of electrical accidents.

These comprehensive actions and measures demonstrate our commitment to maintaining and enhancing health and safety practices in our workplace. We continually assess our working conditions and practices to identify any potential risks or concerns, taking appropriate steps to address them promptly and effectively.

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, we have extended the Group Term Life cover to all our Permanent On roll employees. This policy serves as a testament to our commitment to the well-being of our workforce by providing comprehensive protection and financial security to the beneficiaries of the insured.

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 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	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, our Transition Assistance Program provides retired employees with the chance to work as consultants or advisors, utilizing their valuable expertise and continuing to earn after retirement. Additionally, we offer a range of training programs, and sponsorship opportunities for external courses to ensure that all employees can enhance their technical know-how and remain employable even after completing their superannuation age. This holistic approach highlights our dedication to supporting our employees' growth and ensuring a successful transition into 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	95.15%
Working Conditions	95.15%

We conduct a business audit prior to engaging with any supplier and all such points are assessed onsite. We then periodically assess our suppliers to ensure they are operating upto the MSWIL standards.

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 key stakeholder groups for the entity are well known based on serving the needs of customers, investors, shareholders and the communities in which we are present in cooperation with our suppliers and partners. Listings of all key stakeholders are maintained and amended based upon the development of the entity and its strategy and the vision “to be a globally preferred sustainable solutions provider”.

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 (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	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.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Whistle blower mechanisms, Responsive Communication platform Talent development process, Interactions session between Management & employees, E-mails, Intranet, newsletters	Frequent and Need basis	Grievance mechanisms Safe, fair and conducive work environment Career development and growth opportunities
Society	No	BRSR reporting. Community visit and Charities	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	Communicating MSWIL's Code of Conduct for Suppliers and assessing their level of compliance. Key topics: Business Principles, Environment Principles, Human Rights and Workplace Practices
Government bodies/ Industry Associations	No	Membership in industry bodies (ACMA, CII), media release, Seminars	As and when held	Changes in regulatory framework, proactive engagement, Skill and capacity building

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. We engage with internal and external stakeholders and identify material issues that impact our ability to create value. Detail 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 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	3,066	2390	78%	2,853	2,641	93%
Other than permanent	25	25	100%	18	18	100%
Total Employees	3,091	2415	78%	2,871	2,659	93%
Associates (Workers)						
Permanent	1,530	1267	83%	1,285	1,151	90%
Other than permanent	39,081	39081	100%	41,754	41,754	100%
Total Associates	40,611	40348	99%	43,039	42,905	100%

Formal Human Rights principles policy was duly adopted by board. We trained our employees on human rights principles as it was part of our Code of conduct. 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: (Details mentioned in pdf as to what does it includes)**

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	Equal Minimum Wage to		More than Minimum Wage		Total (A)	Equal Minimum Wage to		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	3,066	-	-	3,066	100%	2,853	-	-	2,853	100%
Male	2,607	-	-	2,607	100%	2,361	-	-	2,361	100%
Female	459	-	-	459	100%	492	-	-	492	100%
Other than permanent	25	-	-	25	-	-	-	-	-	-
Male	14	-	-	14	100%	-	-	-	-	-
Female	11	-	-	11	100%	-	-	-	-	-
Associates (Workers)										
Permanent	1,530	-	-	1,530	100%	1,285	-	-	1,285	100%
Male	1,004	-	-	1,004	100%	816	-	-	816	100%
Female	526	-	-	526	100%	469	-	-	469	100%
Other than permanent	39,081	20,849	53%	18,232	47%	41,754	41,754	100%	-	-
Male	20,202	10,560	52%	9,642	48%	22,677	22,677	100%	-	-
Female	18,879	10,289	54%	8,590	46%	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)*	Distribution provided below			
a. Executive Directors	1	15,317,458	-	-
b. Non-Executive Director - Non-Independent Directors	5	-	-	-
c. Non-Executive Independent Directors	4	5,270,000	1	5,200,000
Key Managerial Personnel *	1	30,815,508	1	8,068,976
Employees other than BoD and KMP	2621	492,606	470	407,142
Workers / Associates	21,206	174,060	19,405	174,060

*There are three KMP's in the Company, one of whom is an Executive Director (Whole-Time Director {'WTD'}) and the details of WTD have been mentioned in the column of Executive Directors.

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, in adherence with the Human rights policy these are addressed by the management leadership team.

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

Human Rights Policy available at <https://www.mswil.motherson.com/storage/policies/Human-Rights-Policy.pdf> emphasizes the company's recognition of international human rights principles. Company's approach to human rights aligns with local needs and requirements, leading to a variety of approaches and processes across its global footprint. These processes complement the Whistle-Blower policy and include multiple anonymous submission platforms such as email accounts, phone numbers, mobile apps, web portals, and physical drop boxes. In addition, Company has established various working groups and committees focused on areas such as health and safety, employee representation, anti-sexual harassment, grievance handling, works council, union-management, consultation, canteen, welfare, and more. These groups work alongside formal complaints resolution procedures.

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

	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment (POSH Cases)	6	0	-	2	1	-
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.

The Company is committed to providing a safe, flexible and respectful environment for its employees 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 policy 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% By Entity
Forced/involuntary labour	100% By Entity
Sexual harassment	100% By Entity
Discrimination at workplace	100% By Entity
Wages	100% By Entity
Others – please specify	100% By Entity

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

There were no significant risks / concerns arising from the human rights assessments.

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.

The Policy is applicable to all forming part of MSWIL and emphasizes the fundamental principles shaping the corporate responsibility of Motherson with regard to its employees and contractors and provides a basis for its business relations and working environment within the group.

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

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	95%
Discrimination at workplace	95%
Child Labour	95%
Forced Labour/Involuntary Labour	95%
Wages	95%
Others – please specify	N.A.

Declaration of adherence to the supplier COC on the above is obtained from the value chain partners as part of their contract. The contracts are not renewed or they are terminated in case of non-adherence to the code of conduct agreed upon. <http://www.mswil.motherson.com/storage/policies/supplier-code-of-conduct-Motherson-Sumi-wiring-india-pdf>.

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:

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Total electricity consumption (A)	94,263 Gj	94,184 Gj
Total fuel consumption (B) Diesel	16449Gj	9,919 Gj
Energy consumption through other sources (C) Gas	19,719 Gj	
Total energy consumption (A+B+C)	130,431Gj	104,103
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	1.84Gj/INR million	1.85Gj/INR million
Energy intensity (<i>optional</i>) – the relevant metric may be selected by the entity	NA	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 Independent assessment/evaluation/assurance has been carried out by an external agency.

- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

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

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	335,800	348,129
(iii) Third party water	338,232	215,636
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	674,032	563,765
Total volume of water consumption (in kilolitres)	674,032	563,765
Water intensity per rupee of turnover (Water consumed / turnover)	9.22	9.53
Water intensity (optional) – the relevant metric may be selected by the entity	NA	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 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	FY 22-23	FY 21-22
	unit	Current Financial Year	Previous Financial Year
NOx	G/KW-HR	2.79	2.3
SOx	G/KW-HR	0.94	NA
Particulate matter (PM)	G/KW-HR	3.19	0.16
Persistent organic pollutants (POP)	Not applicable	NA	NA
Volatile organic compounds (VOC)	Not applicable	NA	NA
Hazardous air pollutants (HAP)	Not applicable	NA	NA
Others- please specify	Not applicable	NA	NA

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

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	Unit	FY 22-23	FY 21-22
		Current Financial Year	Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,118	705
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	19,078	13,539.00
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.0003	0.0003
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	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.

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

The Company is targeting a reduction in its GHG emissions in three ways, with different combinations at site level depending upon geographical location and opportunity:

- i) Progressively reviewing, and then implementing wherever possible, renewable energy sources such as Solar panels
- ii) Switching to renewable energy contracts for grid supplied electricity
- iii) Actively monitoring and becoming more efficient in its energy usage

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

Parameter	FY 22-23	FY 21-22
	Current Financial Year	Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	795.1	778
E-waste (B)	8.5	5
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	4.2	194
Radioactive waste (F)	-	-

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Other Hazardous waste. Please specify, if any. (G) Solvent based waste, oils, and general batteries	35.1	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) General non hazardous waste Food Packaging Water based paint Metals	966.9	1,193
Total (A+B + C + D + E + F + G+ H)	1809.8	2,170
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Recycled	258	
Re-Used	0	
Other recovery operations	0	
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Nil	Nil
Total	N/A	N/A

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/landfill 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.

The Company does not generate hazardous and toxic chemicals in process. However spent oil is used in DG sets and Power-pack of Lifts and we strive to ensure 100% safe disposal of spent oil as per legal compliance.

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

Not applicable

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.	
	N/A	N/A	N/A	N/A

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:

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

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.

S. No.	Specify the law /regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	N/A	N/A	N/A	N/A

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
From renewable sources		
Total electricity consumption (A)	13,493Gj	9936Gj
Total fuel consumption (B) Biodiesel	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	13,493Gj	9936Gj
From non-renewable sources		
Total electricity consumption (D)	96045	84,248
Total fuel consumption (E) Diesel	15722	9919
Energy consumption through other sources (F)Gas	11	0
Total energy consumed from non-renewable sources (D+E+F)	111778	94,167

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

No Independent assessment/evaluation/assurance has been carried out by an external agency.

2. Provide the following details related to water discharged:

Parameter Kilolitres	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(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 (to sewer)	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment		
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)		

To handle wastewater effectively, all MSWIL units have been equipped with sewage treatment plants (STPs). These systems allow us to collect water, which can be used for non-potable purposes such as landscaping, irrigation, and toilet flushing.

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

No Independent assessment/evaluation/assurance has been carried out by an external agency.

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 capture the data at the levels requested.

MSWIL have 11 sites which operate in areas deemed to be Over-Exploited as per CGWB guidelines, and no sites operating in areas deemed as Critical. The table below consolidates the water withdrawal numbers across these 11 sites.

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

- (i) Name of the area
- (ii) Nature of operations

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

Note - MSWIL have 11 sites which operate in areas deemed to be Over-Exploited as per CGWB guidelines, and no sites operating in areas deemed as Critical. The table below consolidated water withdrawal numbers across these 11 sites

Parameter Kilolitres	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	1,31,586	-
(iii) Third party water	1,76,917	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	3,08,503	-
Total volume of water consumption (in kilolitres)	3,08,503	-
Water intensity per rupee of turnover (Water consumed / turnover)	4.37	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	N/A	N/A
- No treatment	N/A	N/A
- With treatment – please specify level of treatment	N/A	N/A
(ii) Into Groundwater	N/A	N/A
- No treatment	N/A	N/A
- With treatment – please specify level of treatment	N/A	N/A
(iii) Into Seawater	N/A	N/A
- No treatment	N/A	N/A
- With treatment – please specify level of treatment	N/A	N/A
(iv) Sent to third-parties	N/A	N/A
- No treatment	N/A	N/A
- With treatment – please specify level of treatment	N/A	N/A
(v) Others	N/A	N/A
- No treatment	N/A	N/A
- With treatment – please specify level of treatment	N/A	N/A
Total water discharged (in kilolitres)	N/A	N/A

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

No.

At present the company is focusing on managing and reducing scope 1 & 2 emissions . moving forward we will devise process for capturing and reporting scope 3 emissions.

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

Parameter	Unit	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of Co ₂ 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.
- 8 Units have already operational with Solar system & 7 more units are to be operational by Sept 2023.
- 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.

Yes We do have business continuity and disaster management plan in place. Also, 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.

95%

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

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.** - 3 affiliations.
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chamber 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

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

MSWIL has a guidance note for its associate for anti competition and anti trust practices. These are available at <https://www.mswil.motherson.com/storage/Policies/Competition-and-Anti-trust-Policy.pdf>. There are no current adverse orders from regulatory authorities and therefore no corrective action taken or underway at this time.

Name of authority	Brief of the case	Corrective action taken
N/A	N/A	N/A

Leadership Indicators

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

No such policy is advocated by the Company.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	N/A	N/A	N/A	N/A	N/A

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

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

There are no Social Impact Assessments applicable for the reporting year.

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

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

There are no projects ongoing for which Rehabilitation and Resettlement is being undertaken in the reporting year.

S. No.	Name of Project for which R&R is going	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

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

The company has established mechanisms to receive community grievances. The Individuals outside the company can contact to lodge complaints or grievances via the website i.e. www.mswil.motherson.com. Further, the Company has appointed an Ombudsman to handle complaints related to unethical and improper practices. The Individuals can report such complaints to designated Ombudsman whose details are mentioned in the Whistle Blower Policy of the Company available on the website at <https://www.mswil.motherson.com/storage/policies/Whistle-blower-Policy.pdf>. The company encourages regular interactions with the community, which are facilitated through physical visits, CSR events and engagement with local community representatives. These interactions serve to open communication lines and gather feedback.

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

	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	0.60%	3.00%
Sourced directly from within the district and neighboring districts	The Company has always given priority towards development of peripheral areas. The company has been operating since 2020 have seen obscure villages turn into large industrial hubs. In this regard, procurement has been prioritized from the local suppliers subject to availability and feasibility. Some recent initiative which aligns with this can be mentioned. Example such as: The recent initiative "Ispati Illakon Ka Vikas – SAIL Ke Saath" under Mission Poorvodaya by the Government of India has seen more than 140 MSMEs join the scheme.	

Leadership Indicators

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

Not applicable

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

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

S. No	State	Aspirational District	Amount spent (In INR)
1	Pan India (All States)	23	1,510,000

MSWIL has its CSR interventions in several aspirational districts across the country. The overall CSR expenditure for development of these aspirational districts is 15,10,000 INR which amounts to approximate 3% of the CSR project expenditure.

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.

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	N/A	N/A	N/A	N/A

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 2022-23

Name of authority	Brief of the Case	Corrective action taken
N/A	N/A	N/A

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Armed Forces Flag Day Fund (PAN India)	2508	3%
2	Health ATM in 2 locations (Kasna Dhada and Bisrakh in Noida)	10470 (Based on Census 2011 data)	40%

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.

We are a B2B company supplying our product directly to OEMs therefore we don't have a direct consumer contact. However, to address feedback/complaints the Company has a robust system to track and respond to customer feedback and complaints.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

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

	FY 22-23 Current Financial Year		Remarks	FY 21-22 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year		
Data privacy	NA	NA	NA	NA	NA	NA
Advertising	NA	NA	NA	NA	NA	NA
Cyber-security	NA	NA	NA	NA	NA	NA
Delivery of essential services	NA	NA	NA	NA	NA	NA
Restrictive Trade Practices	NA	NA	NA	NA	NA	NA
Unfair Trade Practices	NA	NA	NA	NA	NA	NA
Other	NA	NA	NA	NA	NA	NA

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:

	Number	Reasons for recall
Voluntary recalls	0	No recalls
Forced recalls	0	No Recalls

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

Yes.

<https://www.mswil.motherson.com/storage/policies/Data-Protection-Policy.pdf>

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

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

Company sells products mainly to Original Equipment Manufacturers (OEMs).

Product handling related awareness to OEM's for safe usage of product is imparted as and when required.

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

Motherson provides products and services to customers as a B2B tier 1 supplier in accordance with customer specifications and compliance to any relevant regulations. 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.

If any contingency is foreseen which can lead to disruption of continued services to customer, there exists a well-defined mechanism "Business Continuity Plan".

All actions/communications are initiated as stipulated in the procedure.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) NO If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Motherson supplies parts and services to customer requirements (B2B) and the packaging is in accordance to their requirements.

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 2022-23

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

None

BOARD'S REPORT

To the Members,

Your Directors have the pleasure in presenting the **3rd Annual Report** together with the audited financial statements of the Company for the financial year ended March 31, 2023.

FINANCIAL RESULTS

The summarized financial results for the year ended March 31, 2023 and for previous year ended March 31, 2022 are as follows:

(INR in Million)

Particulars	For the Year Ended	For the Year Ended
	March 31, 2023	March 31, 2022
Continuing operations		
Revenue from contract with customer	70,226	55,872
Other operating revenue	348	478
Revenue from operations	70,574	56,350
Other income	223	300
Profit before depreciation, interest and tax	8,037	7,603
Less: depreciation and amortisation expense	1,237	1,055
Less: finance costs	278	285
Less: exceptional expenses	-	654
Profit before tax	6,522	5,609
Less: provision for tax	1,652	1,502
Profit after tax	4,870	4,107
Remeasurements of employment benefit obligations (net of tax) - income / (expense)	(27)	(58)
Total other comprehensive income	(27)	(58)
Total comprehensive income	4,843	4,049
Add: balance brought forward	4,045	(4)
Less: bonus share issue	(1,263)	-
Less: dividend paid	(2,684)	-
Profit available for appropriation	4,941	4,045

OPERATIONS AND PERFORMANCE

This is the first year of full operations of the company after giving effect to Scheme of Demerger of Domestic Wiring Harness Division of Samvardhana Motherson International Limited (earlier known as Motherson Sumi Systems Limited) into Company.

For the financial year 2022-23, your Company achieved total revenue of INR 70,574 million and Net profit was at INR 4,870 Million. In comparison, last year revenue was of INR 56,350 million and Net profit was at INR 4,107 million.

Key Highlights for year under review are as under:

a) Achievement of yearly revenue of over INR 70,000 million;

- b) Company was part of 23 new launches and 17 facelifts taken place in India during the year;
- c) Improvement in Profitability with continued focus on operational efficiency and
- d) 44% ROCE in the current year.

The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report. The Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") is presented in a separate section forming part of the Annual Report.

SHARE CAPITAL

Authorised Share Capital Changes

During the year, the Authorised Share Capital of the Company has been increased from INR 3,330,000,000 (Indian Rupees Three Thousand Three Hundred Thirty Million) divided into 3,330,000,000 (Three Thousand Three Hundred Thirty Million) Equity Shares of ₹ 1 (Rupee One) each to INR 9,000,000,000 (Indian Rupees Nine Thousand Million) divided into 9,000,000,000 (Nine Thousand Million) Equity Shares of ₹ 1 (Rupee One) each.

Bonus Issuance

During the financial year, your Company has allotted 1,263,173,695 (One billion two hundred sixty-three million one hundred seventy-three thousand six hundred ninety-five only) equity shares of face value of Re. 1/- (Rupee One) each on account of the issue of Bonus Shares on November 18, 2022 in the ratio of 2(two) equity shares against 5 (five) shares held. After the allotment of Bonus Shares, the paid-up capital of the Company has been increased to INR 4,421,107,932 (Four billion four hundred twenty-one million one hundred seven thousand nine hundred thirty-two) divided into 4,421,107,932 (Indian Rupees Four billion four hundred twenty-one million one hundred seven thousand nine hundred thirty-two only) equity shares of ₹ 1/- (Rupee One) each.

DIVIDEND

Dividend Distribution Policy

As per the Dividend Distribution Policy of the company the Board will adhere to the Policy for "distribution of up to 40% of profit" as dividend. In terms of regulation 43A of the Listing Regulations, extract of Dividend Distribution Policy of your Company is disclosed in the Corporate Governance Report as well as the same is also available on the Company's website.

Declaration and Payment of Dividend for the year

The Directors have recommended for approval of the members a payment of dividend of Re. 0.65 (sixty five paise only) per share on the Share Capital of the Company for the financial year ended March 31, 2023 to the equity shareholders. This dividend is on total increased share capital of INR 4,421,107,932 post allotment of Bonus shares by the company.

The dividend, if approved by the members, would involve total cash outflow on account of dividend of INR 2,874 million resulting in a pay-out of 59% of the profits of the Company.

CREDIT RATING

CRISIL ratings has assigned credit rating to the Banking facilities of the company in April, 2023 as under:

1. Long Term Rating: Crisil AA+/Stable (Assigned)
2. Short Term Rating: Crisil A1+ (Assigned)

During the financial year 2022-23, the Company has not issued any securities for which credit rating was required to be obtained.

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 2022-23.

EXPORTS FROM INDIA

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

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.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met six (6) times during the financial year 2022-23 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 AND KEY MANAGERIAL PERSONNEL

Appointment/Reappointment of Directors

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Norikatsu Ishida (DIN: 09443998), Director of the Company, is liable to retire by rotation in the ensuing AGM.Mr.

Norikatsu Ishida, being eligible seeks his re-appointment. Accordingly, the Board of Directors recommend the re-appointment of Mr. Norikatsu Ishida to the members of the Company.

Mr. Yoshio Matsushita (DIN: 09480897) has ceased to be a Director from the Board of the Company effective from July 10, 2023. The Board, while accepting the resignation placed on record their sincere appreciation for the contribution made by Mr. Yoshio Matsushita during his tenure as Director of the Company.

Mr. Yuichi Shimizu (DIN:10059731) was appointed as an Additional Director, liable to retire by rotation by the Board of Directors in its meeting held on July 10, 2023. Approval of Members is being sought at the forthcoming Annual General Meeting ('AGM') of your Company for appointment of Mr. Yuichi Shimizu as Non-Executive Director of the Company.

The details of re-appointment/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 3rd AGM of the Company.

Statement of Declaration by Independent Directors

The Board of Directors have 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 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, commission and reimbursements 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 Independent Directors are mentioned in the Corporate Governance Report.

Code of Conduct affirmation by Directors, Key Managerial Personnel and Senior Management Personnel

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

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, 2023, 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, 2023 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.

BOARD EVALUATION

In terms of the requirement of the Companies Act, 2013 and Listing Regulations, the Board carried out an annual evaluation of its own performance, Board Committees, individual Directors including the Independent Director and the Chairman of the Company on the basis of the criteria specified as per the Guidance Note on Board Evaluation issued by the Securities and Exchange Board

of India with the aim to improve the effectiveness of the Board and the Committees. The criteria for evaluation under different categories depends on the role of the person(s)/group(s) plays in the Company. The criteria for every evaluation for the FY 2022-23 was decided at every level depending on the functions, responsibilities, competencies required, nature of business etc., detailed as below:

Person(s)/ Group(s) Evaluation Criteria	Person(s)/ Group(s) Evaluation Criteria
Chairman of the Company	Leadership, steering skills, impartiality, commitment, ability to keep shareholder's interest in mind etc.
Board	The board composition and structure, meetings of the Board, effectiveness of board processes and its functions, monitoring effectiveness of Governance practices, evaluation of performance of management and providing their feedback etc.
Committees of the Board	The composition of Committees, structure of Committees, effectiveness of Committee meetings, independence of the Committees from the Board, contribution to the decisions of the Board etc.
Executive/ Non-Executive/ Independent Director(s)	Criteria for all type of Directors qualification, experience, knowledge and competencies, fulfilment of functions, commitment and their participation and contribution at the Board meetings and Committee meetings etc. Additional criteria in case of Independent Directors, i.e., independent from the Company and other Directors, providing independent views and judgement.

Independent Directors of the company evaluated performance of Non Independent Directors, the Board as a whole and the Chairman of the Company. The Independent Directors at their meeting held also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. During the year, Board Evaluation was completed by the Company which included the Evaluation of the Board as a whole, Board Committees, Chairman and Individual Directors of the Board.

The Directors opined collectively that that the Board as a whole is functioning as a cohesive body. The Board Members from different backgrounds/experiences brought about different expertise and guidance in the Board and Committee Meetings. It was also noted that the Committees are functioning well and all required issues are brought up and discussed in the Committees as per its terms of reference as mandated by law.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND KEY MANAGERIAL PERSONNEL

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 <https://www.mswil.motherson.com/storage/policies/Nomination-Remuneration-and-Evaluation-Policy.pdf>. The extract of the said Policy is also covered in Corporate Governance Report which forms part of this Report.

Key Managerial Personnel

In terms of the provisions of section 203 of the Companies Act, 2013, during the financial year and upto the date of report, the Company has following whole-time Key Managerial Personnel:

1. Mr. Anurag Gahlot, Whole-time Director and Chief Operating Officer
2. Mr. Gaya Nand Gauba, Chief Financial Officer (till July 10, 2023)
3. Mr. Mahender Chhabra, Chief Financial officer (appointment effective July 10, 2023)
4. Ms. Pooja Mehra, Company Secretary

Mr. Gaya Nand Gauba resigned from the post of Chief Financial Officer of the Company effective July 10, 2023 pursuant to his superannuation from the Company w.e.f August 31, 2023. The Board placed on record their sincere appreciation for the contribution made by Mr. Gaya Nand Gauba during his tenure as CFO of the Company.

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 Financial Year 2022-23, 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 2022-23.

As per recommendation of the Audit Committee, the Board of Directors had 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 2022-23.

During the Financial Year 2022-23, 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 LLP, Company Secretaries (CP No. 1509) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2023.

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.

AUDIT COMMITTEE

The Audit Committee of the Board for the financial year ended March 31, 2023 comprised of Mr. Anupam Mohindroo as Chairman, Ms. Geeta Mathur, Mr. Arjun Puri, Mr. Rajesh Kumar Seth as Independent Directors and Mr. Norikatsu Ishida, Mr. Laksh Vaaman Sehgal as non-executive directors.

During the year under review all the recommendations made by the Audit Committee were duly accepted by the Board.

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.

COMMITTEES OF THE BOARD AND POLICIES

Committees of the 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 2022-23.

Corporate Social Responsibility

Your Company has a Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises of Mr. Vivek Chaand Sehgal (Chairman and Non-Executive

Director), 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 <https://www.mswil.motherson.com/storage/policies/Corporate-Social-Responsibility-Policy.pdf>.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure-A and forms integral part of this Report. The Company is, inter-alia, also performing CSR activities through Swarn Lata Motherson Trust which has been established for the sole purpose of CSR activities. Further, the Company continue to carry out CSR activities as specified under schedule VII to the Companies Act, 2013.

Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism which incorporates a whistle blower policy in terms of the Companies Act, 2013 and the Listing Regulations for Directors and employees to report their genuine concerns. The objective of the Policy is to create a window for any person who observes an unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy (hereinafter "Unethical and Improper Practices"), either organizationally or individually, to be able to raise it and to provide for adequate safeguards against victimization of whistle blower and also to provide for direct access to the chairperson of the audit committee.

Thought Arbitrage Consultancy has been appointed by the Board of Directors as an independent external ombudsman under this Whistle-blower mechanism.

Protected Disclosure can be made by a Whistle Blower through an e-mail or dedicated telephone line or a letter to the Thought Arbitrage Consultancy or to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the Company's website at <https://www.mswil.motherson.com/storage/policies/Whistle-blower-Policy.pdf>.

Sustainability Policy and Business Responsibility Sustainability Report (BRSR) reporting

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. This year is the first year of mandatory reporting of BRSR report by the company in terms of applicable SEBI circulars.

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") had 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 is committed towards its sustainability and progress to its employees, investors, customers, peers, partners, suppliers and all stakeholders on UNGC platform.

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.

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.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, there were no loans or investments made, guarantees 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 statements.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Pursuant to Policy on Related Party Transactions of the Company, all contracts/ arrangements/ transactions entered by the Company during financial year with related parties which were on arm's length basis and were in ordinary course of business were approved by the Audit Committee. Pursuant to the provision of applicable Listing Regulations, all related party transactions are placed before the Audit Committee for approval including the transaction under section 188 of the Companies Act, 2013 and Regulation 23 of Listing Regulations. Prior omnibus approval of the Audit Committee has been obtained for transactions which are foreseen and repetitive in nature and where the need for related party transaction cannot be foreseen, Audit Committee granted omnibus approval for such transactions having value upto rupees one crore per transaction. The transactions entered into pursuant to omnibus approval were presented to the Audit Committee on quarterly basis by way of a statement giving details of all related party transactions. The policy on Related Party Transactions as approved by the Board and amended from time to time is uploaded on the Company's website.

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

Approval of Related Party Transactions pursuant to SEBI Listing Regulations

The Securities and Exchange Board of India ("SEBI") notified SEBI (Listing Obligation and Disclosure Requirements) (Sixth Amendment) Regulation, 2021 on November 9, 2021 which were effective from April 1, 2022. The amended provisions of Regulation 23 of Listing Regulations defines a "material related party transaction" as transaction to be entered into individually or taken together with previous transactions during a financial year by the Company, which exceeds INR 1,000 crore or 10% of annual consolidated turnover of the listed entity, whichever is lower, as per last audited financial statements of the listed entity. Further, such "material

related party transactions" require prior approval of shareholders. In respect of above, the shareholders of the Company at its the last Annual General Meeting granted their approval for entering into contract(s) / agreements(s) / arrangement(s) / transaction(s), between the Company with following counter- parties: (1) Samvardhana Motherson International Limited; and (2) Sumitomo Wiring Systems Limited. The shareholders of the Company in the said meeting had approved aforesaid related party transactions, as more particularly mentioned in the said notice for the meeting held on August 29, 2022 read with the explanatory statement attached thereto pursuant to section 102 of the Companies Act, 2013. The Notice convening the said meeting can be viewed on the website of the Company at <https://www.mswil.motherson.com>.

AWARDS AND RECOGNITION

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.

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-B 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-C 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.

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.

HUMAN RESOURCES

Human Resource Relations

The relations with the employees and associates continued to remain cordial throughout the year. Your company has workforce which is diverse, equitable, inclusive and multi-generational. Company has instituted policies for well being of its employees . 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 2022-23, 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
6	6	0

During the year Company has held 61 awareness programmes for educating employee for prevention and reporting harassment cases.

SIGNIFICANT AND MATERIALS 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.

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.

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 2022-23 is available on the website of the Company at <https://www.mswil.motherson.com/performance/investors/annual-reports>.

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.

MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND DATE OF 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.

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, 2023 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 2022-23 will also be available on the Company's



website 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 and www.nseindia.com respectively.

DISCLOSURE INFORMATION

Your Directors state that during the year ended March 31, 2023:

- There has been no change in the nature of business of the company during the year ended on March 31, 2023.
- No amount has been transferred to Reserves by the Company during the year ended on March 31, 2023.
- There has been no Issue of equity shares with differential rights as to dividend, voting or otherwise.
- No Application has been made or proceeding is pending by or against the company under the Insolvency and Bankruptcy Code, 2016 for the year ended March 31, 2023.
- There is no valuation required to be carried out by the company for any settlement with Banks as the same is not applicable to the company.

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 Joint Venture Partners–Sumitomo Wiring Systems Limited, Japan and Samvardhana Motherson International Limited 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 10, 2023

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Our Company Vision is to create long-term socio-economic values for communities in the locations where it operates. Our Commitment to CSR emanates from the business mission that guides us to set new standards in good corporate citizenship. Therefore, our CSR programs have been structured to be made sustainable, measurable, replicable and scalable which will enable us carve out a reputation for being one of the most socially and environmentally responsible companies. Company shall identify and undertake all its CSR programs/projects/activities under the following broader thrust areas of CSR:

- Promotion of education including vocational based education and skill development
- Livelihood enhancement
- Waste Management and Sanitation
- Environmental sustainability
- Women and youth empowerment
- Disaster relief
- National Missions
- Promoting healthcare including preventive healthcare

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vivek Chaand Sehgal	Chairman (Non-Executive Non Independent Director)	1	1
2.	Mr. Arjun Puri	Member (Non-Executive Independent Director)	1	1
3.	Mr. Anupam Mohindroo	Member (Non-Executive Independent Director)	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

The CSR Policy of the Company is available on the website of the Company at: <https://www.mswil.motherson.com/storage/policies/Corporate-Social-Responsibility-Policy.pdf>

The Composition of CSR Committee is available on the website of the Company at <https://www.mswil.motherson.com/performance/investors/management>.

The details of CSR Projects approved by the board are available on the website of the Company at <https://www.mswil.motherson.com/performance/investors/annual-reports>.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Currently, the projects are not eligible for an impact assessment at this stage. However, regular monitoring mechanisms are in place to review progress of the project.

- 5.** a) Average net profit of the company as per sub-section (5) of section 135: INR 2820 Million
b) Two percent of average net profit of the Company as per section 135(5): INR 56 Million
c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
d) Amount required to be set off for the financial year, if any: NIL
e) Total CSR obligation for the financial year [(b)+(c)-(d)]: INR 56 Million
- 6.** a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 48.22 Million
b) Amount spent in administrative overheads: NIL
c) Amount spent on Impact Assessment, if applicable: NA
d) Total amount spent for the Financial Year [(a)+(b)+(c)]: INR 48.22 Million
e) CSR amount spent or unspent for the financial year: INR 8.17 Million

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
48.22 Million	NIL	N/A	*Clean Ganga Fund	8.17 Million	On or before September 30, 2023

* In view of amended CSR Rules, the Company is required to transfer the unspent amount not relating to any ongoing project, to a Fund specified in Schedule VII of the Companies Act, 2013 ("the Act"), within a period of six months of the expiry of the financial year. In pursuance of this, the Board of Directors of your Company on recommendation of CSR Committee, in its meeting held on July 10, 2023 had approved to transfer the unspent amount of INR 8.17 Million to Clean Ganga Fund within the prescribed timeline in the Act.

- f) Excess amount for set off, if any: N/A

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. Details of Unspent CSR amount for the preceding three financial years: None

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency if any
					Amount (in Rs.)	Date of transfer		
1.	2021-22							
2.	2020-21							
3.	2019-20							
	Total							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

Yes No

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: N/A

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
		CSR Registration Number, if applicable	Name	Registered Address	

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: N/A

Sd/-
Vivek Chaand Sehgal
 Chairman (CSR Committee)

Sd/-
Anurag Gahlot
 Whole Time Director

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report.

A. Conservation of energy

- (i) Steps taken or impact on conservation of energy:

The organization is committed to assessing and managing energy consumption across all its facilities and areas. Significant advancements were made during the year to enhance energy efficiency and sustainability across our organization. Throughout the review period, numerous steps were taken to conserve and optimize energy usage. Here are some notable measures implemented:

- We installed Air Boosters in our machines, ensuring optimal utilization of air compressors. This strategic implementation has resulted in improved operational efficiency and reduced energy consumption.
- To minimize power usage and ensure consistent air distribution for human comfort, we introduced highly efficient, increased velocity systems with reduced speeds on our shop floors. This innovative approach not only curtails energy wastage but also promotes a conducive working environment.
- By employing Variable Frequency Drives (VFDs) and Inverter AC units, we have optimized our office air conditioning systems. These advancements enable us to regulate energy usage more effectively while ensuring optimal comfort for our employees.
- Transparent sheets were strategically installed on side walls to harness natural daylight, thereby reducing the need for artificial lighting during daytime hours. This initiative has significantly contributed to our overall power conservation efforts.

- We have implemented advanced controllers for lighting and air conditioning, ensuring minimal usage while still meeting operational requirements. By employing intelligent automation, we have achieved greater energy efficiency throughout our facilities.
- We have installed energy-efficient AHUs with stainless steel bodies and high-efficiency motors, ensuring more effective air cooling and significant energy savings. These technological upgrades have had a positive impact on our overall energy consumption.
- To further reduce our carbon footprint, we prioritize the use of recyclable materials and avoid building materials that require excessive energy consumption during processing. This commitment to sustainable material selection supports our broader environmental goals.
- We remain dedicated to fostering a culture of energy conservation among our team members. Through regular campaigns and events, we continually educate and raise awareness about the importance of energy efficiency, empowering our employees to actively contribute to our sustainability efforts.

These initiatives, alongside numerous other ongoing projects, underscore our unwavering commitment to reducing energy consumption, mitigating environmental impact, and driving sustainable practices across our organization.

- (ii) steps taken by the company for utilizing alternate source of energy:

- We have made significant strides by installing rooftop solar plants across our facilities. This not only helps us reduce our reliance on conventional power sources but also results in substantial cost savings. By embracing solar energy, we have taken a significant step towards achieving energy independence and environmental responsibility.

- **Expanding Solar Power Infrastructure:** Building upon our success with rooftop solar plants, we are committed to further expanding our solar energy capacity. We are actively engaged in the installation of additional solar plants, enabling us to enhance our energy independence and contribute to a more sustainable future.
- By strategically installing polycarbonate sheets on the roofs of our shop floors, we have harnessed the power of natural light during daytime hours. This innovative design not only enhances the working environment but also reduces our dependence on artificial lighting, leading to further energy conservation.
- To diversify our energy procurement and reduce our carbon footprint, we have initiated power purchase agreements with private sources, including wind power providers.
- In our ongoing quest for innovative renewable energy solutions, we have implemented cutting-edge technologies such as windmills, light pipes, and solar tubes in select plants. These installations harness the power of nature to supplement our energy needs, resulting in reduced reliance on conventional energy sources.
- **Transitioning to Cleaner Fuels-** In our endeavour to reduce pollution and optimize operational costs, we have replaced diesel as a fuel source in generators with cleaner alternatives such as Piped Natural Gas (PNG). This transition not only helps us save on diesel costs but also significantly reduces our carbon emissions, contributing to a healthier environment.

These initiatives, backed by our dedicated team and a steadfast commitment to environmental responsibility, have positioned us as industry leaders in sustainable practices. By embracing renewable energy sources, optimizing resource usage, and investing in innovative solutions, we are forging a path towards a brighter and more sustainable future for our organization and the communities we serve.

- (iii) the capital investment on energy conservation equipments:

The Company is following a scientific continuous process of making efforts on energy conservation and such measures include efforts at planning stage of expansion or modernization or replacement etc. (as the case may be). Accordingly, such expenses are considered in annual budgets. In addition to the above, considering size and extent of operations and turnover of the Company, any specific capital investment detail(s) in this respect, will be insignificant to segregate and separately report.

B. Technology absorption

- (i) The efforts made towards technology absorption:
 - (a) The Company has successfully implemented Radio Frequency (RF) Technologies by virtue of Special cables (CAMERA as well as LVDS cable assemblies), indigenous cables and precision assemblies which have opened new growth areas for us.
 - (b) The Company has developed capabilities of designing, developing, manufacturing and managing Hybrid Electric Vehicle (HEV), Battery Electric Vehicle (BEV) and Zero Emission Vehicle's (ZEV) standard system as well as high voltage harnesses. MSWIL is already providing EDS and Wiring solutions to all segments (2W, passenger vehicle, commercial vehicle, Off-road and Agree Vehicles)
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
 - (a) The Company has developed several high value power distribution products. New models with various customers having harnesses with these high value products are launched this year.
 - (b) The Company is focusing on high value power electronics products which are essential modules in High Voltage harness systems. Power electronics solutions for HEV, EV and ZEV vehicles have immense

- potential of lowering import contents significantly.
- (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:
The Company has ongoing technical assistance agreement with Sumitomo Wiring Systems Limited, Japan.
- (b) the year of import:
on going
- (c) whether the technology been fully absorbed:
As continuous process, the technology is absorbed
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
Not Applicable

Research & Development (R&D):

- 1) Specific areas in which R&D is carried out by the Company:
- Significant work is carried out in RF data (data transmitted at various radio frequencies) getting integrated in Vehicle technologies. Essential links are different kinds of special cables. These are single core as well as multi core links carrying huge data which travels at very high speed.
 - MSWIL continued to work on advanced engineering materials which are getting adopted in various child components of wiring harnesses. These advanced materials offer better performance per unit of weight / volume.
- 2) Benefits derived as a result of the above R&D:
- Indigenous solution of special cables to our customers is enabling them in realizing

advanced autonomous driving as well as advanced safety features in vehicles.

- Advanced material adoption in Wiring Harness elements is helpful in offering / realizing higher functional density by our customers.

3) Future plan of action

Globally the Automotive Industry is seeing changes at a pace never seen before. The Company is fully focused on staying ahead of the curve and efforts are made towards sustainability. Innovative and path breaking ideas that aim for this goal automatically provide the conservation of both cash and energy, while they use the best of available resources without depleting them. With horizontal deployment of such ideas across the various plants of the Company, the results will automatically multiply.

- (iv) the expenditure incurred on Research and Development.

The Company has arrangement of sharing of resources of design development with Samvardhana Motherson International Limited for their wiring harness export from India and support to MSWIL for wiring harness business in India.

1. Revenue : INR 299 million
2. Capital : NIL
3. Total: INR 299 million
4. Total R&D expenditure is 0.42% of the turnover

C. Foreign exchange earnings and Outgo-

INR (In Million)

a.	Total Foreign exchange earned in terms of actual inflows	239
b.	Total Foreign exchange outgo in terms of actual outflows	17,506

Particulars of Employees and other related disclosures

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

(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 the director(s)	Designation	FY 2022-23		FY 2021-22	
		Ratio of remuneration to median remuneration of the employees	% increase / decrease of remuneration in 2023 as compared to 2022	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	32.2	25%	28.1	16%

(b) Remuneration paid to the non-executive and independent directors

Name of the director(s)	Designation	FY 2022-23		FY 2021-22	
		Ratio of remuneration to median remuneration of the employees*	% increase / decrease of remuneration* in 2023 as compared to 2022	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	11.1	13%	10.7	NA
Ms. Geeta Mathur	Non-executive and independent director	10.9	12%	10.6	NA
Mr. Anupam Mohindroo**	Non-executive and independent director	11.1	304%	3.0	NA
Mr. Rajesh Kumar Seth**	Non-executive and independent director	11.1	313%	2.9	NA
Col (Retd.) Virendra Chand Katoch**	Non-executive and independent director	10.3	299%	2.8	NA

* Remuneration to non-executive and independent director represents sitting fee and commission.

** In FY 2021-22, non-executive and independent director were appointed on January 28, 2022 accordingly prorated remuneration was paid, hence not comparable with remuneration paid for FY 2022-23 for the full year.

(c) Remuneration paid to the non-executive and non-independent directors

Name of the director(s)	Designation	FY 2022-23		FY 2021-22	
		Ratio of remuneration to median remuneration of the employees	% increase / decrease of remuneration in 2023 as compared to 2022	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	NIL	NA
Mr. Norikatsu Ishida	Non-Executive and Non-Independent director	NIL	NA	NIL	NA
Mr. Laksh Vaaman Sehgal	Non-Executive and Non-Independent director	NIL	NA	NIL	NA
Mr. Yoshio Matsushita	Non-Executive and Non-Independent director	NIL	NA	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 FY 2022-23	% increase in remuneration in FY 2021-22
Mr. G.N. Gauba, Chief Financial Officer	10%	9%
Ms. Pooja Mehra, Company Secretary	17%	10%

- (ii) The percentage increase in the median remuneration of employees in the financial year: 12.4%
- (iii) The number of permanent employees on the rolls of company: 4,596
- (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: 12.3%

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members

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, 2023 ("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, 2023 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.
- (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, if any, 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 generally 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 Company has issued and allotted 126,31,73,695 Equity shares of Re. 1/- in the Share Capital of the Company in the ratio of 2 Equity Shares for every 5 Equity Shares held on 18th November, 2022.

For SGS ASSOCIATES LLP
Firm Regn No. L2021DE011600
Company Secretaries

CS D.P. Gupta
M. N. FCS 2411
C P No. 1509

Date: July 10, 2023
Place: New Delhi

ICSI PR No. 1194/2021
UDIN: F002411E000574290

Note; This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of the Report.

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

To
The Members

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 10, 2023
Place: New Delhi

ICSI PR No. 1194/2021
UDIN: F002411E000574290

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. We feel proud to belong to a Group which had laid the foundation stone for good governance long back and made it an integral part of its day-to-day business. The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. The basic objective of the Corporate Governance policies is to attain the highest levels of transparency, accountability and integrity and place procedures and systems which are in accordance with Global Best Practices of Governance.

Governance has been the way of life in our company which 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)}. 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 and maximise value of all its stakeholders by operating through responsible and sustainable business practices.

Our Governance Structure is well defined multi-tiered structure. The Board is responsible and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short-term and long-term interests of shareholders and other stakeholders. We keep our governance practices under continuous review and benchmark ourselves to best practices in the industry. The Board is overall responsible for the management, general affairs, strategic direction, and

performance of the Company and is ably supported by the Board Committees and the management team at operational level.

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, Human Resources Policy.

Board sets out the overall objectives by giving directions to the management and empowering them to achieve the Company's goal in sustainable manner.

Following committees have been constituted in the Board for giving more focused attention to various facets of business and board responsibilities:

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Nomination and Remuneration Committee;
4. Risk Management Committee;
5. Corporate Social Responsibility Committee;
6. Committee of Directors (Administrative Matters);
7. Share Transfer Committee;and
8. Sustainability Committee

BOARD OF DIRECTORS

As on March 31, 2023, the Company had ten (10) Directors, of which nine (9) are Non-executive Directors including five (5) Independent Directors. The Board has one (1) Woman Director, being Independent Director of the Company. As on March 31, 2023, 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 the 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, 2023 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 Non-Independent Director	6	2	0
Mr. Laksh Vaaman Sehgal* (DIN 00048584)	Non-Executive Non-Independent Director	7	3	0
Mr. Norikatsu Ishida (DIN 09443998 [§])	Non-Executive Non-Independent Director	1	2	0
Mr. Yoshio Matsushita (DIN 09480897 [§])	Non-Executive Non-Independent Director	0	0	0
Mr. Arjun Puri (DIN 00211590)	Non-Executive Independent Director	3	4	1
Ms. Geeta Mathur (DIN 02139552)	Non-Executive Independent Director	8	9	5
Mr. Anupam Mohindroo (DIN 06544719)	Non-Executive Independent Director	0	1	1
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 Motherson Sumi Systems Limited).

§ Representative Director of Sumitomo Wiring Systems Limited (SWS).

@ Pursuant to Regulations 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.

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.

- e) The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 as well as Listing Regulations. Tenure of appointment for Mr. Arjun Puri and Ms. Geeta Mathur is upto March 31, 2024 and Mr. Anupam Mohindroo, Mr. Rajesh Kumar Seth and Col. Virendra Chand Katoch is for a period of five years from the date of their appointment i.e. January 28, 2022.
- f) 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, 2023)	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 Non-Independent Director
Mr. Laksh Vaaman Sehgal	Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited)	Non-Executive Non-Independent Director
Mr. Norikatsu Ishida	Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited)	Non-Executive 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
	360 One Wam Limited (Formerly known as 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, i.e., once a quarter to review the quarterly/ half yearly/ yearly results and other items on the agenda.

During the financial year 2022-23, six (6) Board Meetings were held and gap between two meetings did not exceed 120 (one hundred and twenty) days. The said meetings were held on: (1) May 26, 2022 (2) July 4, 2022 (3) August 5, 2022 (4) September 30, 2022 (5) October 31, 2022 and (6) February 7, 2023. The necessary quorum was present for all meetings.

The attendance record of the Board of Directors at the Board Meetings and Annual General Meeting held during the FY 2022-23 is as below:

Sl. No.	Name of Director	No. of Board Meetings entitled to attend	No. of Board Meetings attended	Attendance at last Annual General Meeting
1.	Mr. Vivek Chaand Sehgal	6	6	Yes
2.	Mr. Laksh Vaaman Sehgal	6	6	Yes
3.	Mr. Norikatsu Ishida	6	6	Yes
4.	Mr. Yoshio Matsushita	6	6	Yes
5.	Mr. Arjun Puri	6	6	Yes
6.	Ms. Geeta Mathur	6	4	Yes
7.	Mr. Anupam Mohindroo	6	6	Yes
8.	Mr. Rajesh Kumar Seth	6	6	Yes
9.	Col. (Retd) Virendra Chand Katoch	6	6	Yes
10.	Mr. Anurag Gahlot	6	6	Yes

The Company provided Video conferencing facility to enable all the Directors to attend and participate at the meetings from different locations.

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

- Quarterly/ half yearly/ yearly results and performance of the Company.
- Minutes of the meetings of the Board and all its committees.
- Materially important litigations, show cause, demand, prosecution and penalty notices.
- Annual Operating plans, budgets and updates.
- Recruitment and Remuneration of Senior management / Key Managerial Personnel (KMPs) of the Company.
- Borrowings by the Company and update on the fund utilisation.
- 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, 2023 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	10,24,31,562
Mr. Rajesh Kumar Seth	Non-Executive Independent Director	108,563
Mr. Arjun Puri	Non-Executive Independent Director	5,250
Mr. Anupam Mohindroo	Non-Executive Independent Director	0
Ms. Geeta Mathur	Non-Executive Independent Director	14,175
Col. (Retd) Virendra Chand Katoch	Non-Executive Independent Director	0
Mr. Laksh Vaaman Sehgal	Non-Executive Non- Independent Director	172
Mr. Anurag Gahlot	Executive Director (Designated as Whole time director & COO)	33,880
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

The Company's Independent Directors meet at least once a year, without presence of non-independent directors and managerial personnel, inter-alia, to:

- (a) review performance of non-independent directors and the Board as a whole;
- (b) review performance of the Chairman of the Company, taking into account views of executive directors and non-executive directors; and
- (c) assess quality, quantity and timeliness of flow of information between Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During year under review, the Independent Directors met on March 13, 2023, inter-alia, to discuss the aforesaid matters. Mr. Arjun Puri as the Lead Independent Director presided the said meeting of the Independent Directors. All of the Independent Directors were present at the Meeting.

Familiarization Programme of Independent Directors

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

Familiarization programme was being conducted for the Independent Directors of Company on March 13, 2023. The object of the Familiarization Programme was to enable the Independent Directors to understand the business of the Company and contribute accordingly to the cause of the Company.

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 Evaluation criteria for Independent Directors

The performance of the Directors including the Independent Directors is evaluated on the basis of the criteria specified as per the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India ("SEBI") with the aim to improve the effectiveness of the Board and the Committees. The said criteria provides certain parameters like qualification, experience, knowledge and competencies, fulfilment of functions, ability to function as a team, initiative,

commitment and their participation and contribution at the Board meetings and Committee meetings, independence from the Company and other Directors, providing independent views and judgement, and expertise to provide feedback and guidance to top management on business strategy, governance, risk, understanding of the organization's strategy, internal and external environment. Evaluation of Independent Directors, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Companies Act, 2013 and Listing Regulations. The Board's performance was evaluated based on inputs received from all the Directors, in respect of Board's composition and structure, effectiveness of the Board, performance of the Committees, processes and information provided to the Board, etc. The details of evaluation parameters and the manner of evaluation have been explained in the Board Report.

Code of Conduct

The Company has stipulated Code of Conduct for all Directors and the 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., <https://www.mswil.motherson.com/storage/policies/Code-of-Conduct-Employees.pdf>. and <https://www.mswil.motherson.com/storage/policies/Code-of-Conduct-Director.pdf>.

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, 2023. 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	
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.
Diversity & Inclusion	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.
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	Diversity & Inclusion	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. The Audit Committee of the Company comprises majority of the Independent Directors. The members of the Audit Committee met eight (8) times during financial year 2022-23. The Audit Committee, inter-alia, reviewed related party transactions, internal audit report, quarterly, half yearly and annual financial statements before submission to the Board.

The dates on which meetings were held are as follows: (1) May 20, 2022 (2) May 25, 2022 (3) July 4, 2022 (4) August 4, 2022 (5) October 29, 2022 (6) January 6, 2023 (7) February 6, 2023 and (8) March 24, 2023.

The maximum time gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days. Also, the necessary quorum was present for all the meetings.

The composition of the Committee and attendance of each member at the Audit Committee meetings held during the FY 2022-23 is as below:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings Attended
Mr. Anupam Mohindroo	Chairman	Non-Executive Independent Director	8	8
Ms. Geeta Mathur	Member	Non-Executive Independent Director	8	8
Mr. Arjun Puri	Member	Non-Executive Independent Director	8	8
Mr. Rajesh Kumar Seth	Member	Non-Executive Independent Director	8	8
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non-Independent Director	8	8
Mr. Norikatsu Ishida	Member	Non-Executive Non-Independent Director (Nominee of SWS)	8	8

The terms of reference of the Audit Committee comprises the following:

- Reviewing, with the management, the quarterly/ half yearly/ yearly financial statements before submission to the board for their approval;
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of section 134 of the Companies Act, 2013;
- Any changes in accounting policies and practices and reasons for such change;
- Major accounting entries involving estimates based on exercise of judgment by management;
- Analysis of the effects of alternative GAAP methods on the financial statements;
- Qualification(s), if any, in the draft audit report(s);
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with accounting standards and applicable legal requirements relating to financial statements;
- Disclosure and/or approval of any related party transactions;
- Disclosure of contingent liabilities;

- (k) The effect of regulatory and accounting initiatives as well as off-balance-sheet structures, on the financial statements;
- (l) Company's earnings press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies;
- (m) Recommendation for appointment, remuneration and terms of appointment of auditors
- (n) Annual Budget review;
- (o) Review and recommendation of the valuation reports to the Board of Directors;
- (p) Review of Management Discussion and Analysis of financial condition and results of operations;
- (q) Review the functioning of the whistle blower mechanism;
- (r) Review of Insider Trading Portal;
- (s) The statement for uses/applications of funds including funds raised through Private Placement with the financial results and annually the statement of funds utilized for purposes other than as mentioned in the offer document/ prospectus / notice (if applicable);
- (t) Reviewing the findings of any internal audit reports by the internal auditors;
- (u) Any other document required to be reviewed by the Committee (or a similar body) as per the applicable laws of the Company;
- (v) Carrying out any other function as is mentioned in the terms of reference of the audit committee and/ or as mentioned in Schedule II Part C of the Listing Regulations, as applicable.

The meetings of the Audit Committee were attended by Mr. Anurag Gahlot, Whole time director & COO during the financial year 2022-23. The Audit Committee invites such executives, as it considers appropriate, representatives of the statutory auditors and internal auditors to be present at its meetings. The Company Secretary act as the Secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on August 29, 2022 and the same was attended by Mr. Anupam Mohindroo, Chairman of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is in line with the provisions of Regulation 19 of Listing Regulations read with Section 178(1) of the Companies Act, 2013.

During the financial year 2022-23, the Committee met (2) two times i.e., (1) December 22, 2022 and (2) March 24, 2023. The composition of the Committee and attendance of each member at the Nomination and Remuneration Committee meetings held during the FY 2022-23 is as below:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings attended
Col (Retd) Virendra Chand Katoch	Chairman	Non-Executive Independent Director	2	2
Ms. Geeta Mathur	Member	Non-Executive Independent Director	2	2
Mr. Anupam Mohindroo	Member	Non-Executive Independent Director	2	2
Mr. Laksh Vaaman Sehgal	Member	Non-executive Non-Independent Director	2	2

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

- a) 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;
- b) 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;
- c) Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- d) To evaluate and recommend terms of appointment of the Independent Director, on the basis of their report of performance evaluation of the Independent Directors;
- e) 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;
- f) Devising a Policy on Board Diversity; and
- g) 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):

- (a) 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.
- (b) Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards etc.
- (c) Diversity of thought, experience, knowledge, perspective and gender in the Board.
- (d) Understanding of automotive business of the Company and growth.
- (e) 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 2022-23, 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 and Commission for financial year ended March 31, 2023 for the Directors are as follows:

(a) Independent Directors (Non-executive) for FY 2022-23

Name of Directors	Sitting Fees (INR)	Commission (INR)
Mr. Rajesh Kumar Seth	770,000	4,500,000
Mr. Arjun Puri	770,000	4,500,000
Mr. Anupam Mohindroo	770,000	4,500,000
Ms. Geeta Mathur	700,000	4,500,000
Col. (Retd) Virendra Chand Katoch	390,000	4,500,000

(b) Whole-time Director:

Name of Director	Salary	Amount (INR)
Mr. Anurag Gahlot	Basic salary	8,322,168
	Bonus	832,217
	Benefits perquisites and allowances	6,163,074
	Total	15,317,458

The period of service of Mr. Anurag Gahlot as Whole-time Director as approved by the members in their extra ordinary general meeting held on April 22, 2022 is from January 28, 2022 till January 27, 2027. The period of service can be terminated by either party upon giving three (3) month notice. Further, there is no severance fee payable or stock options issued to Mr. 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. The Committee looks into shareholders' and investors' grievances. During the financial year, one (1) meeting of the Committee was held, i.e., on March 24, 2023.

The composition of the Committee and attendance of each member at the Stakeholders Relationship Committee meeting held during the FY 2022-23 is as below:

Name	Designation	Category	Committee Meetings entitled to Attend	Committee Meetings attended
Mr. Rajesh Kumar Seth	Chairman	Non-Executive Independent Director	1	1
Col V C Katoch	Member	Non-Executive Independent Director	1	1
Mr. Norikatsu Ishida	Member	Non Executive Non-Independent Director	1	0
Mr. Laksh Vaaman Sehgal	Member	Non Executive Non Independent Director	1	1

The previous Annual General Meeting (AGM) of the Company was held on August 29, 2022 and same was attended by Mr. Rajesh Kumar Seth, Chairman of the Stakeholders Relationship Committee. Ms. Pooja Mehra, Company Secretary is the Compliance Officer for this Committee

Terms of reference of Stakeholder Relationship Committee are as under:

- i) To review and redress the grievances of shareholder;
- ii) Approve transfer/transmission, dematerialization and re-materialization of equity shares / securities of the Company in a timely manner;
- iii) To oversee the performance of Registrar and Share Transfer Agent and recommend measures for overall improvement in the quality of investors services;
- iv) To deal with all aspects relating to issue and allotment of shares of the Company;
- v) 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
- vi) To update the Board of Directors to redress various investor complaints and functioning of the Committee.
- vii) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- viii) 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. During the financial year 2022-23, 1 (one) meeting of this Committee was held on October 29, 2022 which was attended by all members of the Committee.

The composition of the Committee and attendance of each member at the CSR Committee meetings held during the FY 2022-23 is as below:

Name	Designation	Category	Committee Meetings entitled to Attend	Committee Meetings attended
Mr. Vivek Chaand Sehgal	Chairman	Non-Executive Non-Independent Director	1	1
Mr. Arjun Puri	Member	Non-Executive Independent Director	1	1
Mr. Anupam Mohindroo	Member	Non-Executive Independent Director	1	1

Terms of reference of the Committee are as under:

- i) 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;
- ii) To recommend amount of expenditure on activities referred to in (i);
- iii) To monitor CSR Policy of the Company from time to time and recommend for the amendments in the Policy, as and when required.
- iv) To report on Projects or programmes in accordance with Companies Act, 2013 and Rules therein;
- v) 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. 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.

During the financial year 2022-23, two (2) meetings of the Committee were held on (1) July 22, 2022 and (2) December 13, 2022. The maximum time gap between two consecutive meetings did not exceed 180 (one hundred and eighty) days as required in the Listing Regulations. Also, the necessary quorum was present for all the meeting.

The composition of the Committee and attendance of each member at the Risk Management Committee meeting held during the FY 2022-23 is as below:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings attended
Ms. Geeta Mathur	Chair-person	Non-Executive Independent Director	2	2
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non-Independent Director	2	2

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings attended
Mr. Norikatsu Ishida	Member	Non-Executive Non-Independent Director	2	2
Mr. Anurag Gahlot	Member	Executive Director (Designated as Whole time director & COO)	2	2
Mr. Gaya Nand Gauba	Member	Chief Financial Officer	2	2

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 Committee met two (2) times on December 20, 2022 and March 24, 2023 during the financial year 2022-23 and requisite quorum was present at such Committee meeting. In addition, the Committee had approved urgent matter through circulation pursuant to the provisions of the Companies Act, 2013. The following are members of the Committee:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings attended
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non- Independent Director	2	1
Mr. Arjun Puri	Member	Non-Executive Independent Director	2	2
Mr. Norikatsu Ishida	Member	Non-Executive Non -Independent Director	2	1
Mr. Anurag Gahlot	Member	Executive Director	2	2

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 deed 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 authorize Officials of the Company to sign and execute the necessary documents for dealing with various authorities pertaining to Direct and Indirect Taxes.
- e) To authorize 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.

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 had done voluntary reporting of BRSR for the year 2021-22, this year is the first of mandatory reporting of BRSR report by the 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.

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 Committee met two (2) times on July 2, 2022 and December 12, 2022 during the financial year 2022-23 and requisite quorum was present at such Committee meeting.

The following are the members of the Committee:

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings attended
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non-Independent Director	2	2
Mr. Norikatsu Ishida	Member	Non-Executive Non-Independent Director	2	2
Mr. Rajesh Kumar Seth	Member	Non-Executive Independent Director	2	2
Mr. Anurag Gahlot	Member	Executive Non-Independent Director	2	2

Share Transfer Committee

To oversee share transfer process in physical segment, authority has been delegated to the Share Transfer Committee. The Committee met one (1) time on March 28, 2023 during the financial year 2022-23 and requisite quorum was present at such Committee meeting.

The following are the members of the Committee

Name	Designation	Category	Committee Meetings entitled to attend	Committee Meetings attended
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non- Independent Director	1	1
Mr. Anurag Gahlot	Member	Executive Director	1	1
Mr. V C Katoch	Member	Non-Executive Independent Director	1	1
Mr. Norikatsu Ishida	Member	Non-Executive Non- Independent Director	1	0

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 from time to time after duly complying with all applicable provisions.

Further, the Company obtains yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty (30) days of the date of lodgement of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges.

As per Regulation 40 of Listing Regulations, as amended vide circular dated July 5, 2018, shares of the Company can be transferred only in dematerialized form. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them.

Investor Relations

Shareholder's Grievances

For the financial year ended March 31, 2023, the Company had received 487 investors' complaints, such as, non-receipt of shares after transfer, non-receipt of dividend, non-receipt of shares upon demerger etc. All complaints received during financial year 2022-23 were disposed within the said financial year to the satisfaction of the shareholders.

General Meetings:

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

Annual General Meeting	Date	Time	Venue	Special Resolution passed
1 st	September 14, 2021	04:30 P.M.	Held Through Video Conferencing	None
2 nd	August 29, 2022	12.15 P.M.	The Meeting held through Video Conferencing/ Other Audio Visual Means pursuant to the general circulars issued by the Ministry of Corporate Affairs and in compliance with the provisions of the Companies Act, 2013, Listing Regulations, the Meeting. The venue of the Meeting was deemed to be the Registered Office of the Company	None

- The 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.

During the Financial Year 2022-23, one postal ballot was undertaken by the Company, details of which are as follows:

SI No	Date of declaration of results	Ordinary Resolution(s) passed	Person who conducted the Postal Ballot exercise	Procedure for Postal Ballot	Agency providing Remote E-Voting Facility
1	November 5, 2022	<p>1. Increase in Authorised Share Capital of the company from INR 333,00,00,000 to INR 900,00,00,000</p> <p>2. Approval for issue of Bonus shares in the ratio of 2 (Two) bonus (fully paid up) Equity Shares against 5 (Five) Equity Shares of Re. 1/- each held in the company .</p>	Mr. DP Gupta, Practicing Company Secretary of M/s SGS Associates LLP (FCS-2411:CP No-1509) was appointed as the Scrutinizer for conducting the postal Ballot/e voting process in a fair and transparent manner.	In terms of the MCA Circulars, The Postal Ballot Notice was sent by email to all the members of the Company who have registered their email addresses with the company or depository/ depository participants and the communication of assent / dissent of the members took place only through the remote e-voting system	KFin Technologies Limited (formerly KFin Technologies Private Limited)

The Resolutions were passed by the requisite majority.

Further one Extra Ordinary General Meeting of the shareholders of the Company was held as per below details:

Date and Time	Special Resoluti on(s) passed	Venue
April 22 , 2022 at 11.00 a.m.	<p>Approval for appointment of following Independent Directors</p> <ul style="list-style-type: none"> - Mr. Arjun Puri - Ms. Geeta Mathur - Mr. Rajesh Kumar Seth - Mr. Anupam Mohindroo - Col. Virendra Chand Katoch(Retd.) 	Through Video Conferencing

Pursuant to the provisions of Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended from time to time), and the circulars issued by Ministry of Corporate Affairs from time to time, the Company had provided facility of remote e-voting and e-voting to its Members in respect of the businesses transacted at 2nd AGM.

The Company had engaged the services of National Securities Depository Limited (“NSDL”) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting during the Meeting was provided by NSDL. The Resolutions at 2nd AGM were passed by the requisite majority.

Means of Communication

The quarterly, half-yearly and annual results of the Company were published in leading newspapers of India which include Economic Times, Nav Shakti and Nav Bharat, Mumbai. The results were also displayed on the Company's website www.mswil.motherson.com. Press Release made by the Company from time to time were also displayed on the Company's website.

Detailed presentations were made to institutional investors and financial analysts on the Company's unaudited quarterly, half yearly as well as audited annual financial results. These presentations were also uploaded on the Company's website and duly intimated to the Stock Exchanges where equity shares of the Company are listed.

The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results, Annual Report, Press Releases, Analysts Call after the Board Meeting. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

The Company's website www.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): 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.

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

- a) 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.
- b) All related parties transactions entered into as defined under the Act and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.mswil.motherson.com. Transactions with the related parties are disclosed in Note No. 36 in the financial statements.
- c) 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 two (2) years.
- d) 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, have been uploaded on the Company's website: www.mswil.motherson.com.
- e) 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 <https://www.mswil.motherson.com/storage/policies/Whistle-blower-Policy.pdf>.

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 19, 2023.

General Shareholders Information

1. Annual General Meeting (AGM) to be held

Date : August 21, 2023

Day : Monday

Time : 1:00 P.M. (IST)

Venue : Via Video Conferencing/ Other Audio Visual Means

As required under Regulation 36(3) of Listing Regulations, particulars of Directors seeking appointment/re-appointment at the ensuing AGM are given in the Annexure to the Notice of AGM.

2. Financial Calendar (tentative and subject to change)- Financial 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, 2023: on or before August 14, 2023;
- Financial reporting for second quarter ending September 30, 2023: on or before November 14, 2023;
- Financial reporting for third quarter ending December 31, 2023: on or before February 14, 2024; and
- Financial results for financial year ending March 31, 2024: May 30, 2024. The above dates are tentative and will be subject to the change.

3. Book Closure date: From August 10, 2023 to August 14, 2023 (both days inclusive).

4. Dividend payment date: Dividend for the financial year 2022-23, 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:

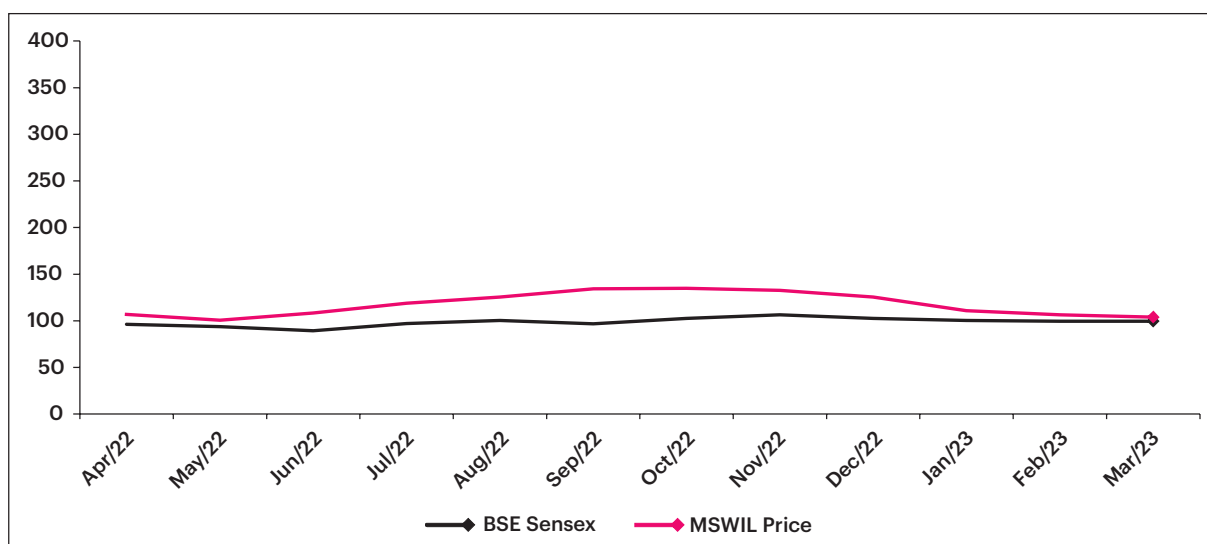
National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G-Block Bandra-Kurla Complex, Bandra (E) MUMBAI – 400051, India Scrip Code : MSUMI	BSE Limited 1 st Floor, New Trading Ring Rotunda Building, P.J. Towers, Dalal Street Fort, MUMBAI – 400001, India Scrip Code : 543498
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Payment of listing fees: Listing fees for financial year 2022-23 has been paid to BSE Limited and National Stock Exchange of India Limited.

6. Market price data

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April 2022	54.21	43.93	54.29	43.75
May 2022	50.18	41.93	50.29	41.89
June 2022	51.32	42.29	51.29	42.29
July 2022	59.07	49.18	59.07	49.25
August 2022	62.54	53.21	62.61	54.36
September 2022	67.18	56.64	67.18	56.50
October 2022	64.75	57.86	64.75	57.79
November 2022	71.15	51.43	71.15	48.64
December 2022	63.45	54.00	63.40	54.30
January 2023	58.75	48.70	58.75	48.70
February 2023	54.15	49.05	54.15	49.05
March 2023	50.69	45.24	50.60	45.15

7. Performance in comparison to Board based Indices:



8. Shareholding Pattern of the Company as on 31.03.2023 was as under:

Category	No. of shares held as on 31.03.2023	% of shareholding as on 31.03.2023
Promoters and Promoters Group	2,729,001,162	61.73
Mutual Funds	677,391,500	15.32
Financial Institutions and Banks	69,293	0
Foreign Institutional / Portfolio Investors	438,314,374	9.91
Insurance Companies	148,491,873	3.36
Bodies Corporate, NBFCs registered with RBI and Trusts	30,526,308	0.7
General Public (Individuals)	357,221,772	8.08
Alternate Investment Funds	11,670,639	0.26
NRIs and Foreign Nationals	15,368,756	0.35
IEPF	984,758	0.02
Clearing Members*	229,965	0.01
Sovereign Wealth Funds	3,888,639	0.09
HUF	7,746,299	0.17
Custodian/DR Holder	202,594	0
Total	4,421,107,932	100

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

9. Trading of Shares of the Company: During the period under review, trading in shares of the company was not suspended.

10. Registrar and Transfer Agents

The Registrar and Transfer Agent (RTA) of the Company is KFin Technologies 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@kfinotech.com

11. Distribution of shareholding as on March 31, 2023 was as under:

MOTHERSON SUMI WIRING INDIA LIMITED					
Distribution Schedule As On 31/03/2023 (Total)					
S. No.	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	677,541	98.85	169,763,397.00	3.84
2	5001- 10000	4,056	0.59	28,341,355.00	0.64
3	10001- 20000	1,759	0.26	24,477,675.00	0.55
4	20001- 30000	592	0.09	14,550,484.00	0.33
5	30001- 40000	316	0.05	10,930,244.00	0.25
6	40001- 50000	198	0.03	8,876,708.00	0.20
7	50001- 100000	498	0.07	31,299,451.00	0.71
8	100001 & Above	441	0.06	4,132,868,618.00	93.48
	Total	685,401	100.00	4,421,107,932.00	100.00

12. 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, 2023. Details are given below:

Mode of holding	Percentage (%)
NSDL	97.05
CDSL	2.95
Physical	0.00%(Negligible)
Total	100

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 Practicing 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 be 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.

13. 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, 2023.

14. 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.

15. During the financial year ended March 31, 2023 the Board of Directors of the Company has accepted all the recommendations of various committees constituted by the Board as applicable.

16. 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	7,637,426
2.	Other Services	2,500,000
	Total	10,137,426

17. Credit ratings:

During the financial year 2022-23, the Company has not issued any securities for which credit rating was required to be obtained. CRISIL ratings has assigned credit rating to the Bank facilities of the company on April 12, 2023 as under:

1. Long Term Rating: Crisil AA+/Stable (Assigned)
2. Short Term Rating: Crisil A1+ (Assigned)

18. 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.

19. There are no funds raised through Private Placement or Qualified Institutional Placement by the Company during the year 2022-23.

20. 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 1,198,660 shares
- (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: 1,198,660

21. 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.

22. 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)
- (L) Nashik(Maharashtra)

23. 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 5 th floor, Plot No. -1, Sector – 127 Noida – 201301 (U.P.) Phone No. : 0120 -6679500 Email: investorrelations@mswil.motherson.com Website: www.mswil.motherson.com
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- 24.** 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.
- 25.** 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.
- 26.** Weblink where policy on dealing with related party transactions: <https://www.mswil.motherson.com/storage/policies/Policy-on-the-Related-Party-Transactions.pdf>.

27. 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 10, 2023 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, 2023 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 10, 2023

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 (hereinafter the "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 ("the Listing Regulations") ("Applicable criteria") for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

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, 2023 and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2022 to March 31, 2023:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee;
 - (g) Corporate Social Responsibility Committee;
 - (h) Committee of Directors (Administrative matters);
 - (i) Sustainability Committee;
 - (j) Share Transfer Committee

- v. Obtained and read necessary declarations given by the directors to the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved by the audit committee.
 - viii. Performed inquiries with the management and also obtained 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, 2023, 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: 23091813BGQOYP9020

Place of Signature: Gurugram
Date: July 10, 2023

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: L29306MH2020PLC341326

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:

- (a) Actual results for the year and the outlook for business operations
- (b) Providing for anticipated capital expenditures or acquisitions to further enhance shareholder value or meet strategic objectives
- (c) Setting aside cash to meet debt repayments
- (d) Changes in cost and availability of external financing
- (e) Level of dividends paid historically
- (f) Retaining earnings to provide for contingencies or unforeseeable events
- (g) The overall economic environment including taxation
- (h) Changes in government policy, industry rulings and regulatory provisions

2.5 Policy on Utilization of Retained Earning

The utilization of retained earnings will include:

- (a) Inorganic / organic growth
- (b) Diversification opportunities / capital expenditure
- (c) Fund based requirement of the Company, its subsidiaries, joint ventures and/or other investee Companies
- (d) General corporate purposes including contingencies
- (e) Investments in the new / existing business
- (f) 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**

5.1 The Policy does not constitute a commitment regarding future dividends of the Company, but only represents a general guidance regarding payment of dividend.

5.2 The statement of the policy does not in any way restrict right of the Board to use its discretion in the recommendation 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.

5.3 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.

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, 2023 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: F002411E000574301

Place : New Delhi
Date : July 10, 2023

FINANCIAL STATEMENTS

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, 2023, 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, 2023, 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, 2023. 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
<p>Transaction with related parties (as described in Note 36 of the financial statements)</p> <p>The Company has undertaken various transactions with its related party's in the normal course of business including purchases of components, capital goods, sales of products, lease arrangements, technical assistance fees, functional support services, management services.</p> <p>We identified related party transactions and its disclosure as set out in respective notes to the financial statements as a key audit matter due to the significance of transactions with related parties and judgements involved in assessment of arm's length pricing.</p>	<p>Our audit procedures included following:</p> <ol style="list-style-type: none"> Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions. Read minutes of shareholder meetings, board meetings, audit committee meetings and minutes of other committees in connection with Company's assessment of related party transactions being in the ordinary course of business and at arm's length.

Key audit matters	How our audit addressed the key audit matter
Accordingly, the matter has been identified as key audit matter.	<p>c. Obtained and reviewed the report of the arm's length pricing assessment carried out by the Company.</p> <p>d. Tested, on a sample basis, related party transactions and its related disclosures with underlying contracts, and other supporting documents including balance confirmation received by the Company.</p>

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, 2023 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 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 43 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 43 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. The final dividend paid by the Company during the year, that was declared in respect of the previous year, is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- As stated in note 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.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 23091813BGQOXQ8743
Place of Signature: Gurugram
Date: May 19, 2023

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 program of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i) (c) The lease deeds for properties in respect of which the Company is a lessee have been executed in favour of the Company except in respect of 1 property as disclosed in note 3(b) in which the Company has constructed a building. The Company does not have any other immovable property.
- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) during the year ended March 31, 2023.
- (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, 2023 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 provided loans to other parties as follows:

Particulars	Loans (INR Million)
Aggregate amount granted/ provided during the year	
- Others (employees)	92
Balance outstanding as at balance sheet date in respect of above	
- Others (employees)	85

- (iii) (b) During the year, the terms and conditions of the grant of all loans to other parties are not prejudicial to the Company’s interest.
- (iii) (c) The Company has granted loans during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (iii) (d) There are no amounts of loans granted to other parties which are overdue for more than ninety days.
- (iii) (e) There were no loans to other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- (iii) (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to other parties. Accordingly, the requirement to report on clause 3(iii)(f) 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 goods and 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 (Rs. million) *	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise	55**	A.Y. 2014-17	CESTAT
GST Act, 2017	GST	0.25	A.Y. 2017-18	Commissioner (Appeals)
Customs Act, 1944	Custom Duty	16	A.Y. 2017-18	CESTAT
Customs Act, 1944	Custom Duty	0.03	A.Y. 2016-20	Commissioner (Appeals)

* The amounts are net of deposits made by the Company under protest.

** The amount is inclusive of penalty

- (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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (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 the registration requirement
- (xvii) The Company has not incurred cash losses in the current financial year and immediately financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 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) (a) The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 (the Act), till the date of the report. However, the period for such transfer i.e. six months of the expiry of the financial year as permitted under second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report. This matter has been disclosed in note 26(b) to the financial statements.

- (xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 26(b) to the financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 23091813BGQOXQ8743

Place of Signature: Gurugram

Date: May 19, 2023

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, 2023 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, 2023, 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: 23091813BGQOXQ8743
Place of Signature: Gurugram
Date: May 19, 2023

(All amounts in INR Million, unless otherwise stated)

BALANCE SHEET

	Notes	As At March 31, 2023	As At March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	3,065	1,789
Right-of-use assets	3(b)	2,727	2,532
Capital work in progress	3(a)	270	323
Financial assets			
i. Loans	4	48	33
ii. Other financial assets	6	407	319
Deferred tax assets (net)	8	411	403
Other non-current assets	7	467	155
Non-current tax assets (net)	19	217	336
Total non-current assets		7,612	5,890
Current assets			
Inventories	9	12,096	9,600
Financial assets			
i. Trade receivables	5	8,004	6,593
ii. Cash and cash equivalents	10(a)	361	2,933
iii. Bank balances other than (ii) above	10(b)	7	-
iv. Loans	4	41	10
v. Other financial assets	6	80	75
Other current assets	7	776	516
Total current assets		21,365	19,727
Total assets		28,977	25,617
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	4,421	3,158
Other equity			
Reserves and surplus	12(a)	8,884	7,988
Share suspense	12(b)	-	-
Total equity		13,305	11,146
Liabilities			
Non current liabilities			
Financial Liabilities			
i. Borrowings	13(a)	78	-
i (a). Lease liabilities	42	2,274	2,097
ii. Other financial liabilities	14	103	89
Employee benefit obligations	17	197	167
Government grants	18	141	167
Total non-current liabilities		2,793	2,520

(All amounts in INR Million, unless otherwise stated)

	Notes	As At March 31, 2023	As At March 31, 2022
Current liabilities			
Financial Liabilities			
i. Borrowings	13(b)	740	193
i (a). Lease liabilities	42	634	538
ii. Trade payables			
Total outstanding dues of micro and small enterprises and	15	58	106
Total outstanding dues of creditors other than micro and small enterprises	15	9,199	9,023
iii. Other financial liabilities	14	1,125	925
Provisions	16	13	12
Employee benefit obligations	17	457	558
Government grants	18	18	16
Other current liabilities	20	635	580
Total current liabilities		12,879	11,951
Total liabilities		15,672	14,471
Total equity and liabilities		28,977	25,617
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: Gurugram
Date: May 19, 2023

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: Dubai
Date: May 19, 2023

G.N. GAUBA
Chief Financial Officer

Place: Noida
Date: May 19, 2023

ANURAG GAHLOT
Whole-time Director/
Chief Operating Officer
DIN: 09455743
Place: Noida
Date: May 19, 2023

POOJA MEHRA
Company Secretary

Place: Noida
Date: May 19, 2023

(All amounts in INR Million, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from contract with customers	21 (a)	70,226	55,872
Other operating revenue	21 (b)	348	478
Total revenue from operations		70,574	56,350
Other income	22	223	300
Total income		70,797	56,650
Expenses			
Cost of raw material consumed	23	47,006	37,082
Changes in inventories of finished goods and work-in-progress	24	(689)	(989)
Employee benefits expense	25	11,831	9,464
Depreciation expense	28	1,237	1,055
Finance costs	27	278	285
Other expenses	26	4,612	3,490
Total expenses		64,275	50,387
Profit before exceptional items and tax		6,522	6,263
Exceptional income / (expenses)	45	-	(654)
Profit before tax		6,522	5,609
Tax expenses	29		
-Current tax		1,703	1,626
-Deferred tax		(51)	(124)
Total tax expense		1,652	1,502
Profit for the year		4,870	4,107
Other comprehensive income			
Items not to be reclassified to profit or loss			
Remeasurements of employment benefit obligations		(36)	(78)
Deferred tax on remeasurements of employment benefit obligations		9	20
Total other comprehensive income		(27)	(58)
Total comprehensive income for the year, net of tax		4,843	4,049
Earnings per share	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, 2023	For the year ended March 31, 2022
Earnings per share			
Basic and Diluted (INR)		1.10	0.93
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: Gurugram

Date: May 19, 2023

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: Dubai

Date: May 19, 2023

G.N. GAUBA

Chief Financial Officer

Place: Noida

Date: May 19, 2023

ANURAG GAHLOT

Whole-time Director/
Chief Operating Officer

DIN: 09455743

Place: Noida

Date: May 19, 2023

POOJA MEHRA

Company Secretary

Place: Noida

Date: May 19, 2023

(All amounts in INR Million, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

	Notes	Amount
As at March 31, 2021		1
Issued pursuant to composite scheme (refer note 45)		3,158
Cancellation pursuant to Composite Scheme (refer note 45)		(1)
As at March 31, 2022		3,158
Bonus shares issued during the year	11	1,263
As at March 31, 2023		4,421

B. Other equity

	Notes	Reserves and surplus		Share suspense	Total
		Capital Reserve	Retained Earnings		
Balance at March 31, 2021		-	(4)	7,100	7,096
Profit / (loss) for the period		-	4,107	-	4,107
Other comprehensive income		-	(58)	-	(58)
Total comprehensive income for the year		-	4,049	-	4,049
Effect of Composite Scheme: (refer note 45)					
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
Balance at March 31, 2022		3,943	4,045	-	7,988
Profit for the year		-	4,870	-	4,870
Other comprehensive income		-	(27)	-	(27)
Total comprehensive income for the year		-	4,843	-	4,843
Bonus Shares issue	11	-	(1,263)	-	(1,263)
Dividend paid		-	(2,684)		(2,684)
Balance at March 31, 2023		3,943	4,941	-	8,884
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: Gurugram
Date: May 19, 2023

For and on behalf of the Board

V.C. SEHGAL
Chairman
DIN: 00291126
Place: Dubai
Date: May 19, 2023

G.N. GAUBA
Chief Financial Officer

Place: Noida
Date: May 19, 2023

ANURAG GAHLOT
Whole-time Director/
Chief Operating Officer
DIN: 09455743
Place: Noida
Date: May 19, 2023

POOJA MEHRA
Company Secretary

Place: Noida
Date: May 19, 2023

(All amounts in INR Million, unless otherwise stated)

CASH FLOW STATEMENT

	For the year Ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax and exceptional items	6,522	6,263
Adjustments to reconcile profit before tax to net cash flows		
Depreciation expense	1,237	1,055
Amortisation of government grant	(53)	(40)
Gain on disposal of property, plant and equipment (net)	(7)	(2)
Liabilities written back to the extent no longer required	(8)	-
Bad debts/ advances written off	0	0
Provision for doubtful debts/ advances	8	-
Interest income	(57)	(18)
Finance cost	278	285
Unrealised foreign exchange gain (net)	15	37
Operating profit before working capital changes	7,935	7,580
Change in working Capital		
Increase in trade payables	114	1,576
(Decrease) / increase in other payables	(41)	50
Increase in other financial liabilities	137	78
(Increase)/ decrease in trade receivables	(1,419)	156
Increase in inventories	(2,496)	(1,614)
Increase in other financial assets	(176)	(214)
(Increase)/ decrease in other receivables	(43)	11
Cash generated from operations	4,011	7,623
Income taxes paid (net)	(1,775)	(1,962)
Net cash generated from operations	2,236	5,661
Exceptional (expense)/ income	-	(654)
Net cash flows from operating activities	2,236	5,007
B. Cash flow from Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(1,986)	(1,014)
Proceeds from sale of property, plant and equipment	9	6
Interest received	40	-
Net cash flows used in investing activities	(1,937)	(1,008)

(All amounts in INR Million, unless otherwise stated)

	For the year Ended March 31, 2023	For the year ended March 31, 2022
C. Cash flow from financing activities		
Dividend paid to equity share holders	(2,677)	-
Interest paid	(272)	(310)
Proceeds from short term borrowings	740	-
Repayment of short term borrowings	(91)	(679)
Payment of lease liabilities	(571)	(450)
Net cash flows from /(used in) financing activities	(2,871)	(1,439)
Net (decrease) / increase in Cash and Cash Equivalents	(2,572)	2,560
Net Cash and Cash equivalents at the beginning of the year	2,933	373
Cash and cash equivalents at the end of the year	361	2,933
Cash and cash equivalents comprise of the following (refer note 10(a))		
Cash on hand	4	5
Balances with banks	357	2,928
Cash and cash equivalents at year end	361	2,933

Summary of significant accounting policies (Note 2)

Notes:

- i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- ii) Figures in brackets indicate Cash Outflow.

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: Gurugram
Date: May 19, 2023

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: Dubai
Date: May 19, 2023

G.N. GAUBA
Chief Financial Officer

Place: Noida
Date: May 19, 2023

ANURAG GAHLOT
Whole-time Director/
Chief Operating Officer
DIN: 09455743
Place: Noida
Date: May 19, 2023

POOJA MEHRA
Company Secretary

Place: Noida
Date: May 19, 2023

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Motherson 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 Motherson International Limited (erstwhile Motherson Sumi Systems Limited) ("SAMIL") and Sumitomo Wiring Systems Limited, Japan.

During the previous year, the Company had given effect of the demerger of Domestic Wiring Harness ("DWH") business from Samvardhana Motherson International Limited (erstwhile Motherson Sumi Systems Limited) ("SAMIL") to the Company as per the order of Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") dated December 22, 2021 for the approval of the Composite Scheme of Amalgamation and Arrangement ("the Scheme") among SAMIL, the Company, erstwhile Samvardhana Motherson International Limited and their respective shareholders.

The Company had given effect to the aforesaid demerger as on December 31, 2021 with effect from appointed date April 1, 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 effective April 01, 2021, and the carrying amount of net assets transferred amounting to INR 1,072 crores pertaining to DWH Business as at December 31, 2021.

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 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 19, 2023.

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 statements.

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.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

New and amended standards adopted by the Company

The Company applied for the certain standards or amendments which are effective for annual periods beginning on or after April 1, 2022.

NOTES TO THE FINANCIAL STATEMENTS

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Company.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 *Provisions, Contingent Liabilities and Contingent Assets* or Appendix C, *Levies*, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, *Levies*, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Company.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

This amendment had no impact on the financial statements of the Company.

(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:

NOTES TO THE FINANCIAL STATEMENTS

- 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.

(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

NOTES TO THE FINANCIAL STATEMENTS

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.

Judgements 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.

NOTES TO THE FINANCIAL STATEMENTS

- 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.

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 Liability

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.

NOTES TO THE FINANCIAL STATEMENTS

(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 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Investment allowances and similar tax incentives:

The Company may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Company accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

(h) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration is considered as lease.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in *section (i) Impairment of non-financial assets*.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

NOTES TO THE FINANCIAL STATEMENTS

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 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.

NOTES TO THE FINANCIAL STATEMENTS

(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.

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

NOTES TO THE FINANCIAL STATEMENTS

premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. The Company elected to classify irrevocably its non-listed equity investments under this category.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, 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 Statement of Profit and Loss.

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

NOTES TO THE FINANCIAL STATEMENTS

- 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

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.

NOTES TO THE FINANCIAL STATEMENTS

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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:

NOTES TO THE FINANCIAL STATEMENTS

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

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,

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

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.

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful lives(years)*
Building	30 years
Plant & Machinery:	
Plant & Machinery	7.5 years
Die & Moulds	6.17 years
Electric Installation	10 years
Furniture & Fixtures	6 years
Office Equipment	5 years
Computers:	
Server & Networks	3 years
End user Devices, such as desktops, laptops, etc.	3 years
Vehicles	4 years
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 have 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

NOTES TO THE FINANCIAL STATEMENTS

of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 INR 100,000 / INR 150,000, whichever is lower, every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligations beyond this contribution.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972 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 the Company is funded through annual contribution to Life Insurance Corporation of India (LIC) under the Company's Gratuity Scheme (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.

NOTES TO THE FINANCIAL STATEMENTS

(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.

(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.

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

NOTES TO THE FINANCIAL STATEMENTS

the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful life of property, plant and equipment and intangibles

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 the 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.

NOTES TO THE FINANCIAL STATEMENTS**3(a) Property, plant and equipment**

Particulars	Buildings*	Leasehold Improvements	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total	Capital work in progress
Year ended March 31, 2022									
Gross carrying amount									
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)
Closing gross carrying amount	-	-	4,069	28	83	295	16	4,491	323
Accumulated depreciation									
As at April 01, 2021	-	-	2,025	20	54	206	8	2,313	-
Depreciation charge for the year	-	-	374	3	11	34	2	424	-
Disposals	-	-	(32)	-	(1)	(1)	(1)	(35)	-
Closing accumulated depreciation	-	-	2,367	23	64	239	9	2,702	-
Net carrying amount	-	-	1,702	5	19	56	7	1,789	323
Year ended March 31, 2023									
Gross carrying amount									
As at April 01, 2022	-	-	4,069	28	83	295	16	4,491	323
Additions	-	26	1,019	16	22	125	3	1,211	556
Disposals	-	-	(30)	0	(2)	(24)	(3)	(59)	-
Transfer	603	-	6	-	-	-	-	609	(609)
Closing gross carrying amount	603	26	5,064	44	103	396	16	6,252	270
Accumulated depreciation									
As at April 01, 2022	-	-	2,367	23	64	239	9	2,702	-
Depreciation charge for the year	12	1	464	3	11	48	3	542	-

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Buildings*	Leasehold Improvements	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total	Capital work in progress
Disposals	-	-	(28)	-	(2)	(24)	(3)	(57)	-
Closing accumulated depreciation	12	1	2,803	26	73	263	9	3,187	-
Net carrying amount	591	25	2,261	18	30	133	7	3,065	270

Capital work in progress (CWIP) Ageing Schedule as at March 31, 2023

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	270	-	-	-	270
- Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

* Building is constructed by the Company on the leasehold land which is included in the Right-to-use assets in respect of which the lease agreement is in the process of being executed.

As at March 31, 2023 and March 31, 2022 there are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

- (i) Contractual obligations: Refer to note 38 for disclosure on contractual commitments for the acquisition of property, plant and equipment.
- (ii) 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
Year ended March 31, 2022				
Gross carrying amount				
As at April 01, 2021	-	-	278	278
Pursuant to Composite Scheme (refer note 45)	9	247	-	256
Additions	-	2,764	91	2,855
Disposals	-	-	(66)	(66)
Closing gross carrying amount	9	3,011	303	3,323
Accumulated depreciation				
As at April 01, 2021	-	-	140	140
Pursuant to Composite Scheme (refer note 45)	1	63	-	64
Depreciation charge during the year	0	572	39	611
Disposals	-	-	(24)	(24)
Closing accumulated depreciation	1	635	155	791
Net carrying amount	8	2,376	148	2,532
Year ended March 31, 2023				
Gross carrying amount				
As at April 01, 2022	9	3,011	303	3,323
Additions *	115	676	103	894
Disposals	-	-	(96)	(96)
Closing gross carrying amount	124	3,687	310	4,121
Accumulated depreciation				
As at April 01, 2022	1	635	155	791
Depreciation charge during the year	15	624	56	695
Disposals	-	-	(92)	(92)
Closing accumulated depreciation	16	1,259	119	1,394
Net carrying amount	108	2,428	191	2,727

Additions for the year ended March 31, 2023 in respect of the lease arrangement of land with SAMIL includes one property where the lease agreement is in the process of being executed in favour of the Company as at March 31, 2023.

* Includes INR 390 million remeasurement liability for increase in tenure of building leases on account of remeasurement of the liability due to the increase in tenure of the lease term for building.

4 Loans

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to employees	41	48	10	33
Total	41	48	10	33

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and other 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, 2023 Current	March 31, 2022 Current
Unsecured, considered good		
- from related parties ¹ (refer note 36)	162	262
- others	7,842	6,331
Unsecured, credit impaired	8	0
	8,012	6,593
Less: Allowances for credit loss		
Unsecured, credit impaired	8	0
Total	8,004	6,593
¹ Includes receivables from private companies in which Director of the Company is also a Director	66	29

Trade receivables ageing schedule:

Undisputed	Trade Receivables - Considered good		Trade Receivables - Credit impaired	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current but not due	7,346	5,887	-	-
Outstanding for followings periods from due date of payment				
Less than 6 months	613	630	-	-
6 months - 1 year	28	56	-	-
1-2 years	17	11	-	-
2-3 years	-	9	8	-
More than 3 years	-	-	0	0
Total	8,004	6,593	8	0

As at March 31, 2023 and March 31, 2022, there are no disputed trade receivables.

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days

The Company has derecognised trade receivables amounting INR 50 million (March 31, 2022: INR 670 million) as it had transferred the contractual right and substantially transferred all risks and rewards of ownership of these receivables and there is no significant continuing involvement.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

6 Other financial assets

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security deposits ¹	54	407	48	319
Others	26	-	27	-
Total	80	407	75	319
¹ Includes security deposit given to a partnership firm namely M/S Motherson in which Director of the Company is Partner	8		8	

7 Other assets

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Unsecured, considered good, unless otherwise stated				
Capital advances	-	360	-	75
Advances recoverable	51	-	111	-
Prepaid expenses	35	1	24	1
Balances with government authorities	689	-	355	-
Subsidy receivable	1	106	26	79
Total	776	467	516	155

8 Deferred tax assets (net)

	March 31, 2023	March 31, 2022
Deferred tax assets		
Provision for employee benefit obligations	165	183
Provision for doubtful debts	2	0
Government grants	24	19
Property, plant and equipment and net of right-of-use assets & lease liability	174	125
Others	46	76
Total	411	403

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

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
At March 31, 2021	64	177	0	18	-	259
(Charged)/ credited:						
to profit or loss	61	(14)	-	1	76	124
to other comprehensive income	-	20	-	-	-	20
At March 31, 2022	125	183	0	19	76	403
(Charged)/ credited:						
to profit or loss	49	25	2	5	(30)	51
to other comprehensive income	-	9	-	-	-	9
Other adjustment	-	(52)	-	-	0	(52)
At March 31, 2023	174	165	2	24	46	411

9 Inventories

	March 31, 2023	March 31, 2022
Raw materials (at cost)	8,453	6,646
Work-in-progress (at cost)	2,141	1,760
Finished goods (at lower of cost and net realisable value)	1,502	1,194
Total	12,096	9,600
Inventory include inventory in transit of:		
Raw materials	1,571	1,191
Finished goods	535	288

10 (a) Cash and cash equivalents

	March 31, 2023	March 31, 2022
Balances with banks:		
- on current accounts	357	928
- Deposits with original maturity of less than three months	-	2,000
Cash on hand	4	5
Total	361	2,933

There are no repatriation restrictions with regards to cash and cash equivalents as at March 31, 2023 and March 31, 2022.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

Changes in liabilities arising from financing activities

	March 31, 2022	Cash flow	Non cash		March 31, 2023
			Fair value changes	Other non cash items*	
Non current borrowings	-	-	-	78	78
Current borrowings	193	649	-	(102)	740
Lease liabilities	2,635	(770)	-	1,043	2,908
Total liabilities from financing activities	2,828	(121)	-	1,019	3,726

	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
Total liabilities from financing activities	963	(1,332)	-	3,197	2,828

*other non cash items includes new leases taken or termination of lease contracts in case of lease liabilities.

10(b) Other bank balances

	March 31, 2023	March 31, 2022
Unpaid dividend account	7	-
Total	7	-

Unpaid dividend account are restricted in use as it relates to unclaimed or unpaid dividend

11 Share Capital

	March 31, 2023	March 31, 2022
Authorised Share Capital		
9,000,000,000 (March 31, 2022 : 3,330,000,000) Equity shares of INR 1 each	9,000	3,330
Issued, subscribed and Paid up:		
4,421,107,932 (March 31, 2022 : 3,157,934,237) Equity shares of INR 1 each	4,421	3,158

During the year ended March 31, 2023, authorised share capital was increased to INR 9,000 million; 9,000 million number of equity shares of INR 1 each.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

a. Movement in equity share capital

	Numbers	Amount
As at March 31, 2021	500,000	1
Add: Issued pursuant to Composite Scheme (refer note 45)	3,157,934,237	3,158
Less: Cancellation pursuant to Composite Scheme (refer note 45)	(500,000)	(1)
As at March 31, 2022	3,157,934,237	3,158
Add: Bonus shares issued	1,263,173,695	1,263
As at March 31, 2023	4,421,107,932	4,421

The shareholders of the Company approved the issue of bonus shares on November 5, 2022 in proportion of 2 equity shares for every 5 equity shares held. These bonus shares have been allotted on November 18, 2022.

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 ensuing 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, 2023		March 31, 2022	
	Nos.	%	Nos.	%
Equity shares:				
Samvardhana Motherson International Limited ("SAMIL"), (formerly Motherson Sumi Systems Limited)	1,478,050,914	33.43%	1,055,750,653	33.43%
Sumitomo Wiring Systems Limited	1,109,692,207	25.10%	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.

d. Details of shares held by promoters and promoters group

Equity shares of INR 1 each fully paid as at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Bonus shares issued	No. of shares at the end of the year	% of Total Shares	% change during the year
Promoters:					
Vivek Chaand Sehgal	73,165,402	29,266,160	102,431,562	2.32%	40%
Laksh Vaaman Sehgal	123	49	172	0.00%	40%

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

Promoter Name	No. of shares at the beginning of the year	Bonus shares issued	No. of shares at the end of the year	% of Total Shares	% change during the year
Samvardhana Motherson International Limited ("SAMIL"), (formerly Motherson Sumi Systems Limited)	1,055,750,653	422,300,261	1,478,050,914	33.43%	40%
Sumitomo Wiring Systems Limited	792,637,291	317,054,916	1,109,692,207	25.10%	40%
Promoters Group:					
Geeta Soni	8,610,328	3,444,131	12,054,459	0.27%	40%
Renu Sehgal	150,085	60,034	210,119	0.00%	40%
Nilu Mehra	7,869,690	3,147,876	11,017,566	0.25%	40%
H.K. Wiring Systems, Limited	7,660,351	3,064,140	10,724,491	0.24%	40%
Radha Rani Holdings Pte Ltd	3,442,623	1,377,049	4,819,672	0.11%	40%

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
Promoters:					
Vivek Chaand Sehgal	-	73,165,402	73,165,402	2.32%	100%
Laksh Vaaman Sehgal	-	123	123	0.00%	100%
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%
Sumitomo Wiring Systems Limited	-	792,637,291	792,637,291	25.10%	100%
Promoters Group:					
Geeta Soni	-	8,610,328	8,610,328	0.27%	100%
Renu Sehgal	-	150,085	150,085	0.00%	100%
Nilu Mehra	-	7,869,690	7,869,690	0.25%	100%
H.K. Wiring Systems, Limited	-	7,660,351	7,660,351	0.24%	100%
Radha Rani Holdings Pte Ltd	-	3,442,623	3,442,623	0.11%	100%

* As per the Composite Scheme, the Company had cancelled 500,000 equity shares held by SAMIL and 3,157,934,237 equity shares having face value of INR 1/- each had 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.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

12 (a) Reserves and surplus

	March 31, 2023	March 31, 2022
Capital reserve	3,943	3,943
Retained earnings	4,941	4,045
Total reserves and surplus	8,884	7,988

(i) Capital reserve

	March 31, 2023	March 31, 2022
Opening balance	3,943	-
Transferred pursuant to Composite Scheme (refer note 45)	-	3,942
Cancellation of equity share capital pursuant to Composite Scheme (refer note 45)	-	1
Closing balance	3,943	3,943

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.

(ii) Retained earnings

	March 31, 2023	March 31, 2022
Opening balance	4,045	(4)
Additions during the year	4,870	4,107
Remeasurements of post-employment benefit obligation, net of tax	(27)	(58)
Dividend paid (refer note 35)	(2,684)	-
Issue of bonus shares without consideration	(1,263)	-
Closing balance	4,941	4,045

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

12 (b) Share Suspense

	March 31, 2023	March 31, 2022
Opening balance	-	7,100
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)
Closing balance	-	-

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.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

13 (a) Non-current borrowings

	Non Current Portion	
	March 31, 2023	March 31, 2022
Unsecured		
Term Loans		
Indian rupee loan from other than banks ²	78	-
Total	78	-

13 (b) Current borrowings

	March 31, 2023	March 31, 2022
Unsecured		
Working capital loans repayable on demand - from banks ¹		
Indian rupee loan	740	-
Current maturities of long term borrowings ²		
Indian rupee loan	-	193
Total	740	193

¹ Indian rupee loan is carrying interest rate @ 7% - 8% p.a.

² Pursuant to the composite scheme, interest free loan from Pradeshiya Industrial & Investment Corporation of U.P. Ltd. (PICUP) of INR 193 million which is repayable in 3 tranches had been transferred to the Company. In the absence of approval for the assignment of loan in favour of the Company, the same had been reclassified as current borrowings as at March 31, 2022.

Tranches due in current year were repaid on their respective due dates. Based on the Company's assessment of likelihood of obtaining the necessary approvals, the installment of the loan that is payable in December 2026 has been reclassified to non-current borrowings.

The Company has sanctioned working capital limit which are unsecured.

14 Other financial liabilities

	March 31, 2023	March 31, 2022
Non-current		
Retention money	11	2
Security deposit received	2	2
Recovery against Vehicle Loan	90	85
Total	103	89
Current		
Interest accrued but not due on borrowings	3	0
Unpaid dividend	7	-
Payables relating to purchase of property, plant & equipments (includes INR 4 million in respect of micro and small enterprises) (refer note 44)	162	96

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

	March 31, 2023	March 31, 2022
Security deposit received	-	0
Employee benefits payable	908	812
Recovery against vehicle loan	45	17
Total	1,125	925

There are no amounts which are required to be transferred to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at March 31, 2023 and March 31, 2022.

15 Trade payables

	March 31, 2023	March 31, 2022
Total outstanding dues of micro and small enterprises (refer note 44)	58	106
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,355	4,413
Trade payable to related parties (refer note 36)	4,844	4,610
Total	9,257	9,129

Trade payables ageing schedule:

Undisputed	Trade payable of micro enterprises and small enterprises		Trade payable of creditors other than micro enterprises and small enterprises	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current but not due	58	106	6,482	7,203
Outstanding for followings periods from due date of payment				
Less than 1 year	-	-	2,682	1,798
1-2 years	-	-	24	13
2-3 years	-	-	3	4
More than 3 years	-	-	8	5
Total	58	106	9,199	9,023

As at March 31, 2023 and March 31, 2022, there are no disputed trade payables.

16 Provisions

	March 31, 2023	March 31, 2022
For warranties	13	12
Total	13	12

Warranty

Provision for warranty relates to the estimated outflow in respect of warranty for products sold by the Company. Due to the nature of such costs, it is not possible to estimate the timing/ uncertainties relating to the outflows of economic benefits.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

The Company has following provisions in the books of account as at year end:

	Warranty	
	March 31, 2023	March 31, 2022
Opening Balance	12	8
Addition during the year	1	4
Closing Balance	13	12

17 Employee benefit obligations

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Gratuity	294	-	393	-
Compensated absences	163	197	165	167
Total	457	197	558	167

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. Upto the previous year, the gratuity plan of the Company was funded through annual contribution by SAMIL to Life Insurance Corporation of India (LIC) under its Gratuity Scheme. In the current year, the said LIC fund has been transferred to the Company to the extent of its share which was determined basis the employees transferred to the Company. Pursuant to such determination by LIC, adjustments for actualisation of the fund balances amounting to INR 207 million has been effected during the 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, 2023	March 31, 2022
Obligations at year beginning	838	1,005
Service Cost - Current	68	57
Interest expense	58	45
Amount recognised in profit or loss	126	102
Remeasurements		
Actuarial (gain)/ loss from change in financial assumption	(16)	99
Experience (gain)/loss	65	(21)
Amount recognised in other comprehensive income	49	78
Payment from plan:		
Benefit payments	(23)	(16)
Addition/ (deletion) due to transfer of employee	-	(331)
Obligations at year end	990	838

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

(ii) Fair Value of Plan Assets

	March 31, 2023	March 31, 2022
Plan assets at year beginning, at fair value	445	648
Interest income	31	28
Amount recognised in profit or loss	31	28
Remeasurements		
Actuarial (gain)/ loss from change in financial assumption	-	(0)
Return on plan assets, excluding amount included in interest income	13	-
Amount recognised in other comprehensive income	13	(0)
Payment from plan:		
Addition/ (deletion) due to transfer of employee	-	(231)
Contributions:		
Employers	0	-
Actualisation adjustment	207	
Plan assets at year end, at fair value	696	445

(iii) Assets and Liabilities recognized in the Balance Sheet

	March 31, 2023	March 31, 2022
Present Value of the defined benefit obligations	990	838
Fair value of the plan assets	696	445
Amount recognized as Liability	294	393

(iv) Defined benefit obligations cost for the year:

	March 31, 2023	March 31, 2022
Service Cost - Current	68	57
Interest Cost (Net)	27	17
Reimbursements paid (refer note 31)	4	22
Actuarial (gain)/ loss	36	78
Net defined benefit obligations cost	135	174

(v) Investment details of Plan Assets

The details of investments of plan assets are as follows:

	March 31, 2023	March 31, 2022
LIC of India	100%	100%
Total	100%	100%

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vi) Actuarial assumptions:

	March 31, 2023	March 31, 2022
Discount rate per annum	7.2%	7.0%
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, 2023	March 31, 2022
Defined benefit obligations	990	838
Plan assets	(696)	(445)
Deficit/(Surplus)	294	393

(viii) Expected Contribution to the Fund in the next year

	For the year ended	
	March 31, 2023	March 31, 2022
Gratuity	391	455

(ix) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

March 31, 2023	Change in Assumption	Impact	Increase in Assumption	Impact	Decrease in Assumption
Discount rate per annum	0.50%	Increase by	(39)	Decrease by	41
Future salary increases	1.0%	Increase by	86	Decrease by	(76)

March 31, 2022	Change in Assumption	Impact	Increase in Assumption	Impact	Decrease in Assumption
Discount rate per annum	0.50%	Increase by	(34)	Decrease by	37
Future salary increases	1.00%	Increase by	77	Decrease by	(68)

Above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

(x) Risk exposure

The gratuity scheme is a salary defined benefit plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

basis of final salary and the period of service and paid as lump sum at the separation. The risk associated with measurement of defined benefit plan obligations and thereby the financial results are:

- (a) Interest rate risk:** The defined benefit obligation is calculated using 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, 2022: 9 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2023	97	64	310	663	1,135
Defined benefit obligation (gratuity)					
March 31, 2022	62	71	226	557	916
Defined benefit obligation (gratuity)					

B. Defined Contribution Schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and Social Insurance for the benefit of the employees.

Amount recognised in the Statement of Profit & Loss is as follows (Refer note 25):

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Provident fund paid to the authorities	438	349
Employee state insurance paid to the authorities	91	66
Contribution to other funds (Employee welfare etc.)	2	1
	531	416

- 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.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

18 Government grants

	March 31, 2023	March 31, 2022
Opening balance	183	252
Addition / (deletion) during the period	29	(29)
Released to profit and loss (refer note 22)	(53)	(40)
Closing balance	159	183

	March 31, 2023	March 31, 2022
Current portion	18	16
Non-current portion	141	167
Total	159	183

Originally, SAMIL had received Government grants relating to the purchase of property, plant and equipment which was transferred to the Company pursuant to the Composite Scheme (refer note 45). 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 Non-current tax assets (net)

	March 31, 2023	March 31, 2022
Tax assets		
Non-current tax assets (net)	217	336
	217	336
Tax liabilities		
Current tax liabilities (net)	-	-
Net tax (liabilities)/ assets	217	336

20 Other current liabilities

	March 31, 2023	March 31, 2022
Statutory dues including provident fund and tax deducted at source	340	418
Advances received from customers	295	162
Total	635	580

21 (a) Revenue from contract with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of products		
Sales of products - Finished goods	69,912	55,603
Sale of services	314	269
Total revenue from contract with customers	70,226	55,872

Note: There is no material difference between the contract price and the revenue from contract with customers.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

21 (b) Other operating revenue:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Scrap sales	290	171
Liabilities written back to the extent no longer required	8	-
Miscellaneous other operating income	50	307
Total	348	478

22 Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income from financial assets at amortised cost	57	18
Exchange fluctuation (net)	106	240
Gain on disposal of property, plant and equipment (net)	7	2
Government grants (refer note 18)	53	40
Total	223	300

23 Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock of raw materials	5,455	4,673
Add : Purchases of raw materials (excludes material in-transit)	48,433	37,864
Less: Closing stock of raw materials	6,882	5,455
Total	47,006	37,082

24 Changes in inventory of finished goods and work in progress

	For the year ended March 31, 2023	For the year ended March 31, 2022
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	1,194	718
Work-in-progress	1,760	1,247
Total A	2,954	1,965
Stock at the end of the year:		
Finished goods	1,502	1,194
Work-in-progress	2,141	1,760
Total B	3,643	2,954
(Increase)/ decrease in stocks (A-B)	(689)	(989)

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

25 Employee benefit expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages & bonus	10,028	7,946
Contribution to provident & other fund (refer note 17)	531	416
Gratuity (refer note 17)	99	96
Staff welfare expenses	1,173	1,006
Total	11,831	9,464

Note: Includes expenses reimbursed (refer note 31)

26 Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Electricity, water and fuel	288	228
Repairs and maintenance:		
Machinery	400	290
Building	431	361
Others	74	63
Consumption of stores and spare parts	721	358
Conversion charges	11	8
Lease rent (refer note 42)	162	132
Rates and taxes	13	16
Insurance	92	99
Travelling	161	127
Freight & forwarding	310	238
Royalty	395	335
Commission	47	34
Bad debt/ advances written off	0	0
Provision for doubtful debts/ advances	8	-
Legal & professional expenses (Refer note (a) below)	529	455
Management fee	395	335
Corporate Social Responsibility (Refer note (b) below)	56	-
Miscellaneous expenses	519	411
Total	4,612	3,490

Note: Includes expenses reimbursed (refer note 31)

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

(a) Payment to auditors:

	For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditor:		
Audit fees (including limited review)	8	5
Other services	0	1
Reimbursement of expenses	0	-
Total	8	6

(b) Corporate Social Responsibility Expenditure:

	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Contribution to Swarn Lata Motherson Trust	47	-
ii) Contribution for promotion of education & other initiatives	1	-
	48	-
Amount required to be spent as per Section 135 of the Companies Act, 2013	56	-
Amount spent during the year on:		
i) Construction/acquisition of asset	1	-
ii) Purpose other than (i) above	47	-
	48	-
Amount yet to be spent for which provision is considered in the financial statements	8	-

Note for Ongoing Projects and others	For the year ended March 31, 2023	
	In case of Section 135(6) (Ongoing Project)	In case of Section 135(5) (Other than Ongoing Project)
Opening Balance		
With Company	-	-
In separate CSR Unspent A/c	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	-	56
Amount spent during the year		
From Company's bank A/c	-	48
From separate CSR Unspent A/c	-	-
Closing Balance	-	8
With Company	-	8
In separate CSR Unspent A/c	-	-

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 (the Act), as the period for such transfer i.e. six months of the expiry of the financial year as permitted under second proviso to sub-section (5) of section 135 of the Act, has not elapsed.

Since the Company does not meet the prescribed criteria in previous year, hence the CSR provisions were not applicable.

27 Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on long term borrowings	3	30
Interest on lease liabilities (refer note 42)	199	203
Other finance costs	76	52
Total	278	285

Note: Previous year includes expenses reimbursed (refer note 31)

28 Depreciation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	542	424
Depreciation on right of use assets (refer note 42)	695	631
Total	1,237	1,055

Note: Includes expenses reimbursed (refer note 31)

29 Income tax expense

(a) Income tax expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
Current income tax charged	1,674	1,626
Adjustments for current tax of prior years	29	-
Total current tax expense	1,703	1,626
Deferred tax (refer note 8)		
Decrease/ (increase) in deferred tax assets (net)	(51)	(124)
Total deferred tax expense / (benefit)	(51)	(124)
Income tax expense	1,652	1,502
Income tax expense is attributable to:		
Profit from operations	1,652	1,502
	1,652	1,502

(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, 2023	For the year ended March 31, 2022
Profit before tax	6,522	5,609
Tax at India's tax rate of 25.168% (March 2022: 25.168%)	1,641	1,412
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for tax of prior periods	29	-
Other adjustments	(18)	90
Income tax expense of operations	1,652	1,502

30 Earnings per share (refer note 1 below)

	March 31, 2023	March 31, 2022
a) Basic		
Net profit after tax available for equity Shareholders	4,870	4,107
Weighted average number of equity shares used to compute basic earnings per share	4,421,107,932	4,421,107,932
Basic earnings (in INR) per Share of INR 1 each. (March 31, 2022: INR 1 each)	1.10	0.93
b) Diluted (Refer note (i) & 1 below)		
Net profit after tax available for equity Shareholders	4,870	4,107
Weighted average number of equity shares used to compute diluted earnings per share	4,421,107,932	4,421,107,932
Diluted earnings (in INR) per share of INR 1 each. (March 31, 2022: INR 1 each)	1.10	0.93

(i) 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 the same.

1 The shareholders of the Company approved the issue of bonus shares on November 5, 2022 in proportion of 2 equity shares for every 5 equity shares held. These bonus shares have been allotted on November 18, 2022 and got trading approval from stock exchanges from November 28, 2022. Accordingly, the Earnings Per Share (Basic and Diluted) for the current year as well as previous year have been calculated after considering the impact of issuance of equity shares.

31 Pursuant to the functional support agreement with SAMIL, the Company reimburses the cost of such support which are allocated to the Company on a mutually agreed basis primarily in proportion of relative revenues. 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, 2023	For the year ended March 31, 2022
Employee benefits expense (refer note 25)		
Salary, wages & bonus	371	606
Contribution to provident & other fund	31	51
Gratuity	4	22
Staff welfare expenses	13	36
A Total Employee benefits expense	419	715
Other expenses (refer note 26)		
Electricity, water and fuel	13	13
Repairs and maintenance:		
Machinery	3	11
Building	6	3
Others	22	28
Consumption of stores and spare parts	3	4
Rent	84	81
Rates and taxes	1	1
Insurance	12	58
Travelling	22	22
Freight & forwarding	0	0
Commission	1	4
Legal & professional expenses	221	362
Miscellaneous expenses	63	97
B Total Other expenses	451	684
Finance costs (refer note 27)		
Interest on long term borrowings	-	16
Interest on lease liabilities	-	5
C Total Finance costs	-	21
Depreciation and amortisation expense (refer note 28)		
Depreciation on right-of-use assets	-	20
D Total depreciation and amortisation expense	-	20
E Exceptional expenses	-	104
Total Shared cost (A+B+C+D+E)	870	1,544

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

32 Fair value measurements

Financial instruments by category

	March 31, 2023			March 31, 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Trade receivables	-	-	8,004	-	-	6,593
Loans	-	-	89	-	-	43
Cash and cash equivalents	-	-	368	-	-	2,933
Other financial assets	-	-	487	-	-	394
Total financial assets	-	-	8,948	-	-	9,963
Financial liabilities						
Borrowings	-	-	818	-	-	193
Lease liabilities	-	-	2,908	-	-	2,635
Trade payables	-	-	9,257	-	-	9,129
Other financial liabilities	-	-	1,228	-	-	1,014
Total financial liabilities	-	-	14,211	-	-	12,971

- 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, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loan to employees ¹	48	48	33	33
	48	48	33	33
Financial liabilities				
Borrowings	78	78	-	-
Lease liabilities	2,274	2,274	2,097	2,097
Other financial liabilities ¹	103	103	89	89
	2,455	2,455	2,186	2,186

¹ The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

- 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.**

NOTES TO THE FINANCIAL STATEMENTS

Fair value hierarchy

Financial assets and liabilities as at March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial liabilities				
Borrowings	-	-	818	818
Lease liabilities	-	-	2,908	2,908
Other financial liabilities	-	-	1,228	1,228
Total financial liabilities	-	-	4,954	4,954

Financial assets and liabilities as at March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial liabilities				
Borrowings	-	-	193	193
Lease liabilities	-	-	2,635	2,635
Other financial liabilities	-	-	1,014	1,014
Total financial liabilities	-	-	3,842	3,842

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.

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 domestic automotive industry in particular.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

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:

Fluctuations 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.

The key raw material for the Company's wiring harness business is copper. There are 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 foreign exchange risk majorly arises from imports, however the Company has arrangements with its major domestic customers for passing on the exchange impact on import purchases.

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, 2023 Payable / (Receivable)		March 31, 2022 Payable / (Receivable)	
	Amount in Foreign currency in million	Amount in INR million	Amount in Foreign currency in million	Amount in INR million
CHF	0	17	0	8
CNY	1	14	0	5
EUR	7	603	7	609
GBP	0	28	0	18
JPY	1,703	1,058	1,331	833
SEK	0	1	-	-
SGD	0	5	0	5
THB	40	97	16	37
USD	14	1,136	11	867

NOTES TO THE FINANCIAL STATEMENTS

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, 2023	March 31, 2022
Increase by 1% in forex rate	(30)	(24)
Decrease by 1% in forex rate	30	24

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.

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, 2023	March 31, 2022
Floating rate		
- Expiring within one year (cash credit and other facilities)	3,260	3,000

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

(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, 2023 and March 31, 2022:

Year Ended March 31, 2023	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	740	111	-	851
Trade payables	9,257	-	-	9,257
Other financial liabilities	1,125	103	-	1,228
Lease liabilities	826	2,502	98	3,426
Total non-derivative liabilities	11,948	2,716	98	14,762

Year Ended March 31, 2022	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	193	-	-	193
Trade payables	9,129	-	-	9,129
Other financial liabilities	925	89	-	1,014
Lease liabilities	538	2,090	7	2,635
Total non-derivative liabilities	10,785	2,179	7	12,971

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.

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 less interest income).

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, 2023	March 31, 2022
Net Debt	3,365	(105)
EBITDA	7,980	7,603
Net Debt to EBITDA	0.42	(0.01)

(b) Loan covenants

Under the terms of the borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the period.

NOTES TO THE FINANCIAL STATEMENTS

35 Distribution made and proposed

	March 31, 2023	March 31, 2022
Cash dividends on equity shares declared and paid		
Final cash dividend paid during the year ended March 31, 2023: INR 0.85 (March 31, 2022: INR Nil) per share	2,684	-
	2,684	-
Proposed dividends on Equity shares		
Proposed cash dividend for the year ended on March 31, 2023: INR 0.65 (March 31, 2022: INR 0.85) per share	2,874	2,684
	2,874	2,684

The Board of Directors have recommended a dividend of INR 0.65 per share (65% on an equity share of INR 1 each) for the year ended March 31, 2023. 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, 2023	March 31, 2022
Samvardhana Motherson International Limited ("SAMIL"), (formerly Motherson Sumi Systems Limited)	India	33.43%	33.43%
Sumitomo Wiring Systems Limited	Japan	25.10%	25.10%

Other related parties (entity where control of 'entities with joint control over the Company' exists), with whom transactions have taken place during the year

- Samvardhana Motherson International Limited (till January 21, 2022) merged with erstwhile Motherson Sumi Systems Limited (now renamed as Samvardhana Motherson International Limited)
- Radha Rani Holdings Pte Ltd
- AEES Inc.
- Anest Iwata Motherson Private Limited
- Calsonic Kansei Motherson Auto Products Pvt. Ltd.
- Fritzmeier Motherson Cabin Engineering Private Limited
- Kyungshin Industrial Motherson Pvt. Ltd.
- Kyungshin Cable Co. Ltd.
- Kyungshin Corporation, Korea
- Marelli Motherson Automotive Lighting India Private Ltd.
- Matsui Technologies India Limited
- Motherson Air Travel Agencies Ltd.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

- 13 Motherson Bergstrom HVAC Solutions Private Limited
- 14 Motherson Consultancies Service Limited
- 15 Motherson Electrical Wires Lanka Pvt. Ltd.
- 16 Motherson Innovations Tech Limited
- 17 Motherson Invenzen XLab Private Limited
- 18 Motherson PKC Harness Systems FZ-LLC
- 19 Motherson Technology Services Limited
- 20 MSSL (GB) Limited
- 21 MSSL Global RSA Module Engineering Limited
- 22 MSSL Japan Limited
- 23 MSSL Korea WH Ltd
- 24 MSSL México, S.A. De C.V.
- 25 MSSL Mideast (FZE)
- 26 MSSL Tooling (FZE)
- 27 Mssl WH System (Thailand) Co.Ltd.
- 28 MSSL Wiring System Inc., USA
- 29 PK Cables do Brasil Ltda
- 30 PKC Eesti AS
- 31 PKC Group Poland Holding Sp. z o.o.
- 32 PKC SEGU Systemelektrik GmbH
- 33 PKC Vehicle Technology (Suzhou) Co., Ltd.
- 34 Samvardhana Motherson Auto System Private Limited
- 35 Samvardhana Motherson Global Carriers Limited
- 36 Samvardhana Motherson Health Solutions Limited
- 37 SMR Automotive Systems India Limited
- 38 SMRC Automotive Products India Limited
- 39 Valeo Motherson Thermal Commercial Vehicle India Ltd.
- 40 Youngshin Motherson Auto Tech Limited
- 41 H.K. Wiring Systems LTD,
- 42 P.T .Sumi Indo Wiring Systems
- 43 P.T.Sumitomo Wiring System Batam Indonesia
- 44 SE Bordnetze-Polska Sp.zo.o.
- 45 SEWS Components & Electronics Europe KFT.
- 46 SEWS Romania Srl

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

- 47 SEWS ROMANIA SRL
- 48 SEWS-Maroc Sarl
- 49 SEWS-MAROC SARL
- 50 Sumi Vietnam Wiring Systems Co.,Ltd.
- 51 Sumiden International Trading(H.K.)Co.,Ltd.
- 52 Sumi-Hanel Wiring Systems Co.,
- 53 Sumitomo Electric Asia Pacific Pte. Ltd.
- 54 Sumitomo Electric Automotive Products (Singapore) Pte.Ltd.
- 55 Sumitomo Electric Wiring Systems(Thailand)Ltd.
- 56 Sumitomo Electric Wiring Systems, Inc
- 57 Sumitomo Wiring Systems(U.S.A.)Inc
- 58 Adventure Auto Car India Limited
- 59 Edcol Global Pte. Limited
- 60 Motherson (Partnership Firm)
- 61 Motherson Auto Limited
- 62 Motherson Lease Solution Limited
- 63 Motherson Spirited Auto Retails India Limited
- 64 Nirvana Niche Products Private Limited
- 65 Samvardhana Motherson Adsys Tech Limited
- 66 Spirited Auto Cars (I) Limited
- 67 Systematic Conscom Limited
- 68 SWS Australia Pty. Ltd.

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 40 (I) above:

Key management personnel compensation

	March 31, 2023	March 31, 2022
Short-term employee benefits	54	8
Directors commission/sitting fees	26	13
Post-employment benefits payable	43	1
Long-term employee benefits payable	14	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

Transactions with related parties

S. No.	Particulars	Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	Sale of products	-	-	1,497	47	666	587
2	Sales of services	-	-	8	6	5	0
3	Purchase of goods	-	-	28,656	23,643	2,257	709
4	Purchase of property, plant and equipments	-	-	137	32	868	428
5	Purchase of services	-	-	587	346	467	368
6	Rent expense	-	-	3	-	35	24
7	Payment of lease liability	-	-	636	564	133	88
8	Interest expense	-	-	-	0	-	-
9	Reimbursements made of common costs (refer note 31)	-	-	870	1,544	-	-
10	Other reimbursements made	-	-	235	-	2	10
11	Reimbursements received	-	-	33	-	22	24
12	Royalty	-	-	395	335	-	-
13	Dividend paid	62	-	1,571	-	24	-
14	Security deposits given	-	-	19	290	46	37
15	Security deposits received back	-	-	-	-	41	9
16	Loan received	-	-	-	0	-	-
17	Advance given	1	-	-	-	404	-
18	Advance received back	1	-	-	-	-	-

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

(c) Outstanding balances arising from sales / purchases of goods and services

S. No.	Particulars	Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	Trade payables	-	-	4,226	4,381	619	229
2	Trade receivables	-	-	7	110	155	152
3	Advances recoverable	-	-	7	-	5	1
4	Advances from customer	-	-	1	1	-	0
5	Capital advance given	-	-	-	-	343	44

(d) Loans & advances to / from related parties

S. No.	Particulars	Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	Security deposits given:						
	Beginning of the year / period	-	-	219	-	155	127
	Security deposit given	-	-	19	290	46	37
	Right of use created on addition	-	-	(6)	(86)	(7)	-
	Security deposits received back	-	-	-	-	(41)	(9)
	Interest income	-	-	17	15	0	-
	End of the year	-	-	248	219	154	155
2	Loan taken:						
	Beginning of the year / period	-	-	-	4	-	-
	Loan taken	-	-	-	0	-	-
	Interest expense	-	-	-	0	-	-
	Loan repaid	-	-	-	(4)	-	-
	End of the year	-	-	-	-	-	-
3	Advance Given:						
	Beginning of the year / period	-	-	-	-	-	-
	Advance given	1	-	-	-	-	-
	Advance received back	(1)	-	-	-	-	-
	End of the year	-	-	-	-	-	-

Reimbursements do not include settlement by SAMIL for amounts received / credits in respect of debtors/ others recoverables transferred to MSWIL as part of scheme

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

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"

A. Disaggregated revenue information

i) Type of goods or services

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of goods	69,912	55,603
Sale of services	314	269
Other operating revenue	348	478
Total revenue from contracts with customers	70,574	56,350

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from external customers		
India	70,475	56,119
Outside India	99	231
	70,574	56,350

	For the year ended March 31, 2023	For the year ended March 31, 2022
Timing of revenue recognition		
At a point in time	70,574	56,350
Over a period of time	-	-
Total revenue from contracts with customers	70,574	56,350

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

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, 2023	For the year ended March 31, 2022
India	6,529	4,799
Outside India	-	-
	6,529	4,799

iii) Capital expenditure

	For the year ended March 31, 2023	For the year ended March 31, 2022
Capital expenditure	1,986	1,008

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, 2023	For the year ended March 31, 2022
Customer 1	18,318	14,294
Customer 2	10,388	10,918

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, 2023	March 31, 2022
Property, plant and equipment		
Estimated value of contracts in capital account remaining to be executed, (net of advances of INR 360 million (March 31, 2022: INR 75 million))	433	563
Total	433	563

39 Contingent liabilities:

Claims against the Company not acknowledged as debts

	March 31, 2023	March 31, 2022
a) Excise, sales tax and service tax matters	73	6
b) Claims made by workmen	24	18

- a) The Company has assessed that it is only possible but not probable that outflow of economic resources will be required.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

40 Disclosure of ratios as required under Schedule III of the Companies Act, 2013

	March 31, 2023	March 31, 2022	% Change	Remarks
(a) Current ratio (in times) [Current assets / Current liabilities]	1.66	1.65	0.5%	
(b) Debt equity ratio (in times) [Total Debt / Total Equity] Total Debt = Long term borrowing including current maturities + short term borrowing + Lease liabilities	0.28	0.25	10.4%	
(c) Debt service coverage ratio (in times) [(Net Profit after taxes + Non cash operating expenses) / (Interest & Lease Payments + Principal Repayments)]	6.69	5.84	14.4%	
(d) Return on Equity ratio (in times) [Net Profits after taxes / Average Total Equity]	0.40	0.45	-11.5%	
(e) Inventory turnover (in times) [Cost of goods sold / Average inventory]	4.27	4.10	4.0%	Refer Note below
(f) Trade Receivable Turnover (in times) [(Gross credit sales - Sales return) / Average trade receivables]	9.62	8.38	14.9%	
(g) Trade Payable Turnover (in times) [(Gross credit purchases - Purchase return) / Average trade payable]	5.27	4.55	15.8%	
(h) Net Capital Turnover (in times) [(Total sales - Sales return) / (Current assets - Current liabilities)]	8.28	7.19	15.2%	
(i) Net profit margin (%) [Net Profit / (Total sales - Sales return)]	6.9%	7.4%	-5.7%	
(j) Return on Capital Employed (%) [Earnings before interest and tax / Average Capital Employed] Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	43.5%	59.4%	-26.8%	This is on account of addition of Property Plant and Equipment due to new facilities and expansion in existing facilities
(k) Return on Investment [Interest (Finance Income) / Investment]	not applicable	not applicable		Not applicable since the Company has no investment
In accordance with the requirements, changes in ratios of more than 25% as compared to previous year have been explained				

(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, 2023	March 31, 2022
Receivables (refer note 5)	8,004	6,593
Contract liabilities (refer note 20)	295	162

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 recognises the 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 and vehicles. These lease arrangements for land/premises are for a period upto 5-10 years, and vehicles are for a period upto 5 years. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	March 31, 2023	March 31, 2022
Current lease liabilities	634	538
Non-current lease liabilities	2,274	2,097
	2,908	2,635

Amount recognised in statement of profit and loss during the year on account of Ind AS 116

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities (included in finance cost)	199	203
Depreciation of right of use assets	695	631
Lease expense derecognised	770	653
Other items included in statement of profit and loss during the year:		
Short term and low value lease payments	162	132

Additions for the year ended March 31, 2023 in respect of land leases arrangement with SAMIL include one property where the lease agreement is in the process of being executing in the favour of Company as at March 31, 2023.

Description of Property	Whether promoter, director or their relative or employee	Held in name of	Gross carrying value	Period held - indicate range, where appropriate	Reason for not being held in the name of Company
Land taken on lease situated at Kattavakkam, Chennai, Tamil Nadu	Promoter	Samvardhana Motherson International Limited	124	Lease started from Sep 2022	In process of getting agreement signed

43 Other Statutory Information

- (i) There are no transactions with companies that are struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

- (ii) There are no proceeding that has been initiated or pending against the Company for holding any Benami property under the The Benami Transactions (Prohibition) Act, 1988 and rules thereunder.
- (iii) The Company does not have any charges or satisfaction that is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- (v) The Company has 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 has 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 does not have any 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.

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, 2023	March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	106
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	79	206
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** During the previous year, the Company had given effect of the demerger of Domestic Wiring Harness ("DWH") business from Samvardhana Motherson International Limited (erstwhile Motherson Sumi Systems Limited) ("SAMIL") to the Company as per the order of Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble

NOTES TO THE FINANCIAL STATEMENTS

NCLT”) dated December 22, 2021 for the approval of the Composite Scheme of Amalgamation and Arrangement (“the Scheme”) among SAMIL, the Company, erstwhile Samvardhana Motherson International Limited and their respective shareholders.

The Company has given effect to the aforesaid demerger during the year ended March 31, 2022 in accordance with the accounting treatment prescribed in the Scheme and relevant accounting standards. During the year ended March 31, 2022, the Company recognised exceptional expenses of Rs. 65.41 crores representing accrual of Rs. 55 crores for Company's share of expenses in connection with the implementation of the Scheme of arrangement post NCLT approval and amount of Rs. 10.41 crores being cost allocated by SAMIL.

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 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.

- 46** The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

(All amounts in INR Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

47 Amounts appearing as zero "0" in the financial statements 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: Gurugram
Date: May 19, 2023

For and on behalf of the Board

V.C. SEHGAL
Chairman

DIN: 00291126
Place: Dubai
Date: May 19, 2023

G.N. GAUBA
Chief Financial Officer

Place: Noida
Date: May 19, 2023

ANURAG GAHLOT
Whole-time Director/
Chief Operating Officer
DIN: 09455743
Place: Noida
Date: May 19, 2023

POOJA MEHRA
Company Secretary

Place: Noida
Date: May 19, 2023





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: 5th 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; Website: www.mswil.motherson.com

NOTICE

NOTICE is hereby given that the 3rd (Third) Annual General Meeting ('AGM') of Motherson Sumi Wiring India Limited ("**MSWIL**" or "**Company**") is scheduled to be held on Monday, August 21, 2023 at 1300 Hours/01.00 P.M. (IST) through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**") 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, 2023 together with reports of the Board of Directors and Auditors thereon.
2. To declare dividend of Re. 0.65 (Sixty Five Paise only) per share on equity shares for the financial year ended March 31, 2023 as recommended by the Board of Directors of the company.
3. To appoint a Director in place of Mr. Norikatsu Ishida (DIN-09443998), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment of Mr. Yuichi Shimizu (DIN: 10059731) as a Director of the Company, as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Yuichi Shimizu (DIN: 10059731), who was appointed as an Additional Director of the Company with effect from July 10, 2023, by the Board of Directors of the Company, pursuant to Section 161(1) of the Act and Article 59 of the Articles of Association of the Company be and is hereby appointed as a Director of the Company, who will be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution for ratification of remuneration payable to Cost Auditors of the Company for the Financial Year 2023-24 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 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, pursuant to the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year 2023-24, 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 including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, for approval for entering into Related Party Transactions with Sumitomo Wiring Systems Limited, 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 goods and wiring harness components including Wire, Metal Tape and other components, purchase of Child parts of wiring harness components and moulds and purchase of Equipment & Machines and capital spares/tools/jigs/fixtures etc;
- 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 engineering services, design and development and software etc;

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.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, for approval for entering into Related Party Transactions with Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) 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 capital goods and components, such as wires, rubber parts, tools, jig, fixtures, connectors, certain capital items and other components, required to manufacture / assemble wiring harness and services;
- Sale / supply of wiring harness and other parts and/or components thereof and services;
- 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.”

By order of Board of Motherson Sumi
Wiring India Limited

Place: Noida, Uttar Pradesh

Date: July 10, 2023

Pooja Mehra
Company Secretary
Membership No.: FCS 5088

Registered Office Address:

Unit 705, C Wing, ONE BKC
G Block, Bandra Kurla Complex Bandra East, Mumbai, Maharashtra – 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.

In view of the massive outbreak of the COVID-19 pandemic, social distancing norms to be followed and pursuant to General Circular No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs (“MCA”) read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively and MCA General Circular No. 10/2022 dated 28th December, 2022 (“MCA Circulars”), the Company will be conducting this Annual General Meeting (“AGM” or “Meeting”) through Video Conferencing/Other Audio Visual Means (“VC”/“OAVM”), physical attendance of the Members to the Annual General Meeting (“**AGM**”) venue is not required. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM and thus the attendance slip is not attached to this notice.

2. 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.
3. 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.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF / NRI etc.) are required to send a scanned copy of its Board or governing body resolution / Authorisation etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to support@dpgupta.com with a copy marked to investorrelations@mswil.motherson.com.
5. 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.
6. Register of Members and Share Transfer Books of the Company will be closed from Thursday, August 10, 2023 to Monday, August 14, 2023 (both days inclusive) for the purpose of AGM and payment of dividend for the Financial Year ended March 31, 2023.
7. 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 19, 2023 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 einward.ris@kfintech.com or to the Company at investorrelations@mswil.motherson.com

8. 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. The Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules). As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules also mandate the companies to transfer such shares of Members of whom dividends remain unpaid / unclaimed for a period of 7 (seven) consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the Members to encash / claim their respective dividend during the prescribed period.
9. 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 and on the website of Registrar and Share Transfer Agent at https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd.
10. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report for the FY 2022-23 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 2022-23 will also be available on the Company's website www.mswil.motherson.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and 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
11. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. Register of contracts or arrangements in which directors are interested will remain open and accessible at the commencement of AGM and during the continuance of the AGM to any person attending meeting through VC/OAVM.
13. Register of Directors and Key Managerial Personnel will remain open and accessible to the persons attending the AGM through VC/OAVM.
14. 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.

15. 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 18, 2023 at 0900 Hours (IST) and ends on Sunday, August 20, 2023 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., August 14, 2023, 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. August 14, 2023.
- c. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING 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
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<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.
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	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

<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 & voting during the meeting.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>

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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on 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 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. 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 with a copy marked to 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 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 or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at NSDL at evoting@nsdl.co.in

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) by email to 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. 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 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.

THE 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.

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” 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.
Members are encouraged to join the Meeting through Laptops for better experience.
2. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
3. 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.
4. 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. Such shareholders must register their request on or before, August 16, 2023 with the Company.
5. 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. The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
7. Shareholders' who need assistance before or during the Meeting, can contact Ms. Pallavi Mhatre, Senior 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 or call on no: 022-48867000/022-24997000.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED, SETTING OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS PROPOSED TO BE TRANSACTED UNDER ITEM NO. 4 TO 7 OF THE ACCOMPANYING NOTICE FOR THE ANNUAL GENERAL MEETING.

ITEM NO. 4

The members may note that Mr. Yoshio Matsushita, a nominee of M/s. Sumitomo Wiring Systems Limited, Japan (“SWS”) has resigned and ceased to be a Director of the Company with effect from July 10, 2023. In this respect, SWS had proposed nomination of Mr. Yuichi Shimizu (DIN: 10059731) as a Director on the Board of your Company. Mr. Yuichi Shimizu holds a Bachelor's degree in Business Administration from Hitotsubashi University (Tokyo, Japan). He has over 3 decades of wide-ranging professional experience. Through his professional journey he has attained strong background of Leadership, Customer Relation, Finance, Merger and Acquisition, Risk Management, Compliance and Labor Management.

Nomination and Remuneration Committee of the Company has evaluated profile of Mr. Yuichi Shimizu and considering skills, knowledge and experience possessed by Mr. Shimizu and synergy of such skills and expertise with business of the Company and need of such knowledge from Company's customers and other stakeholders perspective, had recommended to the Board of Directors of the Company, appointment of Mr. Yuichi Shimizu as an Additional Director of the Company. The Nomination and Remuneration Committee while making such recommendation to the Board, in its meeting held on July 10, 2023 also considered various criteria as per the Nomination and Remuneration Policy of the Company, i.e., qualifications, positive attributes, etc.

Thereupon, considering recommendation of the Nomination and Remuneration Committee and diversified experience and knowledge of international business of Mr. Yuichi Shimizu, the Board of Directors of the Company in its meeting held on July 10, 2023 appointed Mr. Yuichi Shimizu as an Additional Director of the Company, with immediate effect. Mr. Shimizu as a non-executive Director, will be liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013 (hereinafter referred to as “the Act”) and applicable provisions of the Articles of Association of the Company, as amended from time to time.

Further, a brief profile of Mr. Yuichi Shimizu and other requisite details, pursuant to the provisions of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with the Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are mentioned in this explanatory statement and/or annexed to this notice.

The members may note that pursuant to the Section 161 of the Act and rules made thereunder, an Additional Director appointed by the Board of Directors of the Company at any time shall hold office up to the date of the next annual general meeting of the Company. Further, Regulation 17(1C) of SEBI Listing Regulations requires that approval of the shareholders for appointment of a person on the Board of Directors needs to be obtained at the next general meeting or within a time period of three (3) months from the date of appointment, whichever is earlier.

Accordingly, pursuant to the provisions of Section 161 of the Act read with Regulation 17 (1C) of SEBI Listing Regulations, approval of shareholders by way of an Ordinary Resolution be and is hereby sought for the appointment of Mr. Yuichi Shimizu as a non-executive Director on the Board of Directors and to be liable to retire by rotation as mentioned in the enabling resolution. The Board of Directors considers that Mr. Yuichi Shimizu's appointment as a Director would be of immense benefit to the Company and recommends appointment of Mr. Yuichi Shimizu as Director on the Board of the

company.

Mr. Yuichi Shimizu had provided a declaration that he is not disqualified to be appointed as Director in accordance with Section 164(2) of the Act and disclosure of his interest in accordance with the provisions of section 184(1) of the Act. The copies of declaration and disclosure received from Mr. Yuichi Shimizu shall be made available for inspection during normal business hours and at the meeting.

Except Mr. Yuichi Shimizu, being an appointee (nominee of Sumitomo Wiring Systems Limited), none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of this General Meeting.

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 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 2023-24.

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

Prior to the effectiveness of the Scheme of Demerger of Domestic Wiring Harness Division into the company, Samvardhana Motherson International Limited (SAMIL) and Sumitomo Wiring Systems Limited (SWS) had entered into a technical assistance agreement, in relation to the DWH Business. 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).

The Company needs to enter into Related Party Transactions with SWS for continuance of its transactions with SWS as done prior to Demerger from Domestic Wiring Harness Division.

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 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. Policy on the Related Party Transactions (RPT) as adopted by the Company and amended from time to time by the board of directors is disclosed on the website of the Company and the same is followed while entering into transactions with related parties.

The brief particulars of the contracts and / or transactions and / or arrangements entered / to be entered into Company are as under:

Particulars	Information
Name of the Related Party and nature of Related Party	Sumitomo Wiring Systems Limited (SWS), Promoter Shareholder of the company
Nature, material terms and particulars of the Contract or arrangement	<p>Transactions will involve:</p> <ol style="list-style-type: none"> 1. Purchase of goods and wiring harness components including Wire, Metal Tape and other components, purchase of Child parts of wiring harness components and moulds and purchase of Equipment & Machines and capital spares/tools/jigs/fixtures etc; 2. Sale / supply of wiring harness and other parts and/or components thereof and services ; 3. Availing Technical assistance and know-how by the company in relation to the manufacture and sale of domestic wiring harness 4. Availing various support services by the company towards design and development, engineering services <p>The transactions will be at an arm’s length basis and in the ordinary course of business. Other Terms and Conditions of the transaction(s) are consistent with the</p>

	basis on which transaction(s) are entered into with unrelated parties.
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Rationale of the Transaction	<p>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 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 and AGM of the Company held on August 29, 2022, <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.</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>
Duration of the proposed transactions	The duration of this arrangement will be upto next Annual General Meeting or for a period not exceeding fifteen months from the date of present Annual General Meeting, whichever is earlier. However, the agreement for this transaction contains termination provisions in line with long term commercial contracts of this nature.
Pricing and Financial Arrangements	Pricing for products/ services will be based on an arm's-length transfer price established by the parties.

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. Norikatsu Ishida and Mr. Yuichi Shimizu 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 of the 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.

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 the audited turnover of FY 22-23 (previous year)	FY23 quantum in (INR million)	Basis
1	Purchase of components & capital items	7,810	11.07%	5,314	Proposed limits are forecasted based on company estimates, sourcing/localisation of wires and components, etc and fluctuation of currency.
2	Sales of components and services	25	0.04%	9	
3	Technical support services	570	0.81%	396	
4	Design/development and other Support Services	75	0.11%	46	

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

The Company is proposing to continue Related Party Transactions with Samvardhana Motherson International Limited (SAMIL) (formerly as Motherson Sumi Systems Limited (MSSL)). This is in accordance with approval by shareholders of SAMIL at the time of reorganisation/ scheme of demerger of Domestic Wiring Harness business into MSWIL, with appointed date of April 01, 2021. 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 sources wherever necessary from the company leverages Company's cost-efficient procures wiring harness and other parts and/or components thereof which is used as child parts in the manufacturing of other components.

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.

The Policy on the Related Party Transactions (RPT) as adopted by the Company and amended from time to time by the board of directors is disclosed on the website of the Company and the same is followed while entering into transactions with related parties.

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:

7(a): Purchase of components and capital goods by Company

Particulars	Information
Name of the Related Party and nature of Related Party	Samvardhana Motherson International Limited (SAMIL), Promoter Shareholder of the company

<p>Nature, material terms and particulars of the contract or arrangement</p>	<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. Other Terms and Conditions of the transaction(s) are consistent with the basis on which transaction(s) are entered into with unrelated parties.</p>
<p>Rationale of the Transaction</p>	<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 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>
<p>Duration of the proposed transactions</p>	<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.</p> <p>However, the arrangement between the companies will be on a non-exclusive basis and therefore the parties would be free to enter into similar contracts with other parties 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>

Pricing and Financial Arrangements	Pricing for products will be based on an Arm's length transfer price established by the parties. The purchase price is based on a mixture of fixed, variable and pass-through costs and trading margins as applicable for different activities based on transfer pricing principles.
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7 (b) Sale of wiring harness and other parts and/or components thereof and services to SAMIL

Particulars	Information
Name of the Related Party and nature of Related Party	Samvardhana Motherson International Limited (SAMIL), Promoter Shareholder of the company
Nature, material terms and particulars of the contract or arrangement	<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 as well as provision of certain services.</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. Other Terms and Conditions of the transaction(s) are consistent with the basis on which transaction(s) are entered into with unrelated parties.</p>
Rationale of the Transaction	<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 long standing relationship and quality customer centricity.</p> <p>SAMIL require wiring harness and components for supply to and manufacturing / assembly of the final product. 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>
Duration of the proposed transactions	The duration of this arrangement will be upto next Annual General Meeting or for a period not exceeding fifteen months from the date of present Annual General Meeting, whichever is earlier. 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

Pricing and Financial Arrangements	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
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7(c): To lease, sub-lease, license or sub-license properties, including provision of maintenance services in relation to such properties (on need basis) by SAMIL to Company

Particulars	Information
Name of the Related Party and nature of Related Party	Samvardhana Motherson International Limited (SAMIL), Promoter Shareholder of the company
Nature, material terms and particulars of the contract or arrangement	<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 or will be taken on lease by company from SAMIL.</p> <p>The Company has entered into/will be entering into agreements to take such properties on lease.</p> <p>Further, MSWIL proposes to expand its operations in Gujarat at Survey No. 265, 266, 267, 270 at Navagam, TA Mandal, Ahmedabad, Gujarat, for which land was purchased by SAMIL prior to the reorganisation. Construction is currently under way and lease shall be entered into at Arm's Length (for a period of 10 years with lock-in of 5 years) at the time of handing over by SAMIL to MSWIL to carry on manufacturing operations.</p> <p>Area for the properties taken on lease may change in future considering the expansion and other business requirements. In case of change in leased area, the rental will vary and such change in rental will be supported by an independent third-party report on an arm's length justification.</p> <p>The monthly rents and other terms & conditions such as percentage increase, security deposits are determined basis fair rental value estimates by third party independent valuer at the time of entering into transactions and the same shall be followed for future arrangements and fair value of the new property.</p>

<p>Rationale of the Transaction</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>Duration of the proposed transactions</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>Prior to entering into of Scheme of Demerger, the members of SAMIL in its EGM held on April 29, 2021 had approved this Related Party Transactions for a period of 10 years covering interalia any new areas to be which may be added within the limit and areas of manufacturing unit(s) may change in future considering expansion and other business requirements. Members of Company had also approved such Related Party Transactions in the last AGM held on August 29, 2022.</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> <p>The leases/sub leases will remain effective till 10 years from the date of approval taken from shareholders of SAMIL prior to demerger and for a period of 10 years from the effective date of lease/sub lease.</p>
<p>Pricing and Financial Arrangements</p>	<p>To ensure that the fair value of Lease Rentals and security deposits are evaluated in a transparent manner and as per prevalent market practices, an Independent valuer was appointed to carry out independent studies and basis the report from independent valuer the lease rentals together with security deposits and annual escalations have been worked out in the respective lease agreements.</p>

7(d): Functional Support Services

Particulars	Information
Name of the Related Party and nature of Related Party	Samvardhana Motherson International Limited (SAMIL), Promoter Shareholder of the company
Nature, material Terms and particulars of the contract or arrangement	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.
Rationale of the Transaction	<p>A. Functional Services to be provided by SAMIL</p> <p>SAMIL has a central team for the wiring harness business operating out of India {(MSWIL doing domestic business and Non Domestic Wiring Harness Business (referred to as SAMIL - NDWH))} for key functions across all the plants, such as:</p> <ul style="list-style-type: none"> - Procurement, logistics, human resource services and other common services. - Design and development and Information technology teams. - Supplier qualification, quality assurance and validation of new parts etc. - Process engineering teams <p>These services are being shared between MSWIL and SAMIL- NDWH at cost.</p>

	<p>B. Others</p> <p>Further, there are certain services such as corporate taxation, legal, internal audit etc. are rendered by SAMIL to all the group companies including MSWIL.</p> <p>The key rationale for undertaking these arrangements is to avoid duplication of resources thus making both the businesses, i.e., the businesses of SAMIL and company, cost-efficient.</p>
<p>Duration of the proposed transactions</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>Pricing and Financial Arrangements</p>	<p>A. Functional Services to be provided by SAMIL</p> <p>Costs of common resources shall be allocated between the company and SAMIL based on either:</p> <ol style="list-style-type: none"> 1. Revenues; or 2. Any other applicable metric as may be considered appropriate where revenue-based allocation may not be feasible. <p>For removal of doubts, it is clarified that in case any of cost, which is to shared between MSWIL and SAMIL NDWH, is incurred by MSWIL, the same is recovered on the same basis as above and the shared costs as disclosed are net, as are borne by MSWIL.</p> <p>B. For Others</p> <p>Pricing to be governed by the following principles:</p> <ol style="list-style-type: none"> 1. In case of any trading activities, there will be a mark-up on an arm's length basis; or 2. In-house developed solutions / services will be priced at comparable levels to market prices

7(e): Management Services

Particulars	Information
Name of the Related Party and nature of Related Party	Samvardhana Motherson International Limited (SAMIL), Promoter Shareholder of the company
Nature, material terms and particulars of the contract or arrangement	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.
Rationale of the Transaction	SAMIL and SWS had originally 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
Duration of the proposed transactions	The duration of this arrangement will be upto next Annual General Meeting or for a period not exceeding fifteen months from the date of present Annual General Meeting, whichever is earlier. However, the agreement for this transaction contains termination provisions in line with long term commercial contracts of this nature.
Pricing and Financial Arrangements	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. 7 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 of the 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.

The monetary value for above related party transaction(s) is summarised below:

Sl. No.	Particulars*	Proposed monetary limits (Amount in INR Millions)	% to the audited turnover of FY 22-23)	FY 23 quantum in INR million	Basis
7(a)	Purchase of wires, components, tools, jigs, fixtures, capital items etc.	30,000	42.51%	23,467	Proposed limits are forecasted based on company estimates, consideration of fluctuation of copper prices, localisation of wires and components, etc.
7(b)	Sales of components, WH etc.	2,000	2.83%	1,497	
7(c)	i) Lease / Sub-lease Arrangement	800	1.13%	670	<p>The actual amount may vary on account of changes in lease area of existing /new properties as well as basis escalation of 5% per annum, as determined by the independent valuer in their fairness opinion.</p> <p>The amount of security deposit made by the company under the lease/sub lease contract is Rs. 308 Million (approx) as on March 31, 2023. Amount of Security Deposit shall vary in accordance with any changes/new leases entered into by the company.</p>

7(d)	Functional Support Services	1,400	1.98%	1,017	Estimated based on operational requirement of the company.
7(e)	Management Services	570	0.81%	396	Estimated based on operational requirement of the company.

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

Place: Noida, Uttar Pradesh
Date: July 10, 2023

Pooja Mehra Company
Secretary
Membership No.: FCS 5088

Registered Office Address:

Unit 705, C Wing, ONE BKC
G Block, Bandra Kurla Complex Bandra East, Mumbai, Maharashtra – 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. Norikatsu Ishida (Director seeking Reappointment)	Mr. Yuichi Shimizu (Director seeking Appointment)
Director Identification No.	09443998	10059731
Date of Birth	13/03/1961	27/06/1969
Date of first Appointment on the Board	28/01/2022	10/07/2023
Qualification	Bachelor of Economics from Chuo University, Japan	Mr. Bachelor's degree in Business Administration from Hitotsubashi University (Tokyo, Japan).
Nature of expertise in specific Functional area	He has extensive accounting experience and expertise	He has over 3 decades of wide-ranging professional experience and has attained strong background of Leadership, Customer Relation, Finance, Merger and Acquisition, Risk Management, Compliance and Labor Management.
Remuneration last drawn from Company (in ₹)	N.A.	NA
Remuneration sought to be paid	N.A.	NA
Terms and Conditions of appointment / re-appointment	Liable to retire by rotation	Liable to Retire by rotation
Number of Board Meetings attended during the year	6	*0
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Relationship with any Director(s) or any Key Managerial Personnel(s) of the Company	None	None
Membership/ Chairmanship of the Committee of the Company	<ol style="list-style-type: none"> 1. Audit Committee 2. Stakeholder Relationship Committee 3. Risk Management Committee 4. Share Transfer Committee 5. Committee of Directors (Administrative Matters) 	None
Directorship held in other Indian companies	Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited)	SWS India Management Support and Services Private Limited
Membership/ Chairmanship of the Committee of other Indian Companies	<p>Membership in Committee:</p> <p>NIL</p>	None
Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the board along with listed entities from which the person has resigned in the past three years	<p>Name of Listed Companies in which he holds Directorship and the membership of Committees of the Board-</p> <p>-Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited)</p> <p>Listed Entities from which he has resigned in the past three years- Nil</p>	<p>Name of Listed Companies in which he holds Directorship and the membership of Committees of the Board- Nil</p> <p>Listed Entities from which he has resigned in the past three years- Nil</p>
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Number of shares held in the Company including shareholding as a beneficial owner	Nil	NIL
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA	NA

*Appointed as an Additional Director w.e.f July 10, 2023.