ANNEXURE-H

Management Discussion and Analysis

Economy Review

Global Economy

This financial year 2022 has been another turbulent, uncertain year and mankind as a whole faced a constant wave of challenges and disruptions. COVID-19 did not discriminate. Every nation on the planet was impacted by the pandemic, with seismic consequences for economic output. Government stimulus and support packages along with widespread vaccination programs were rolled out in various shapes and forms as the world adjusted to a 'new reality'. As the global economy was gradually putting the COVID-19 pandemic behind, with many parts of the world lifting restrictions, and several economies returning to their pre COVID size, another shock struck. The war in Ukraine dealt a hammer blow to international confidence and economic stability, forcing us all to, once again, identify risks and focus on contingency planning and resilience. The ongoing conflict between the Russian government and Ukraine since late February is a humanitarian crisis. It is also shaping up to be a prelude to a new geopolitical era, one where businesses may need to navigate an altered globalisation map, and one where progress against global issues in areas such as trade, supply chains, health and climate change becomes harder to do.

As we continue to emerge from the challenges imposed by the pandemic, one of the major concerns has been the rise in inflation across many parts of the world. The pandemic may not be over, but the major economies are shifting their mindset and focusing increasingly on a long-term route to sustainable growth. Further, the conflict between Russia and Ukraine has further intensified these pressures.

As per KPMG, the global inflation could average between 4.5%-7.7% this year and between 2.9%-4.3% in 2023, depending on how the crisis evolves. The change in central banks' stance to address rising inflationary pressures, especially the US Fed's, could add volatility to markets as they adjust to a new policy direction. Going forward, the world economy will have to navigate a difficult period ahead under a cloud of geopolitical uncertainty. Businesses and households will be hoping for the better times ahead but should plan for potential ongoing disruptions and uncertainty.

Indian economy

The last two years have been very difficult for each economy on account of the COVID-19 pandemic and the Indian economy was no exception. Repeated waves of infection, supply-chain disruptions owing to geopolitical scenarios and, more recently, inflation have created particularly challenging times for policy making.

It's not just India, but almost all emerging economies are reeling under these external shocks. We, however, believe that India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. Furthermore, the emphasis on manufacturing in India, various government incentives such as lower taxes, and rising services exports on the back of stronger digitisation and technology transformation drive across the world will aid in economic growth. Also, several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination. Multinationals, for instance, may prefer India over Eastern European markets (especially those that border Ukraine) to shift their current operations for global in-house centers or open new facilities. On the health front, a large vaccinated population will likely help contain the impact of subsequent Covid-19 waves, if any.

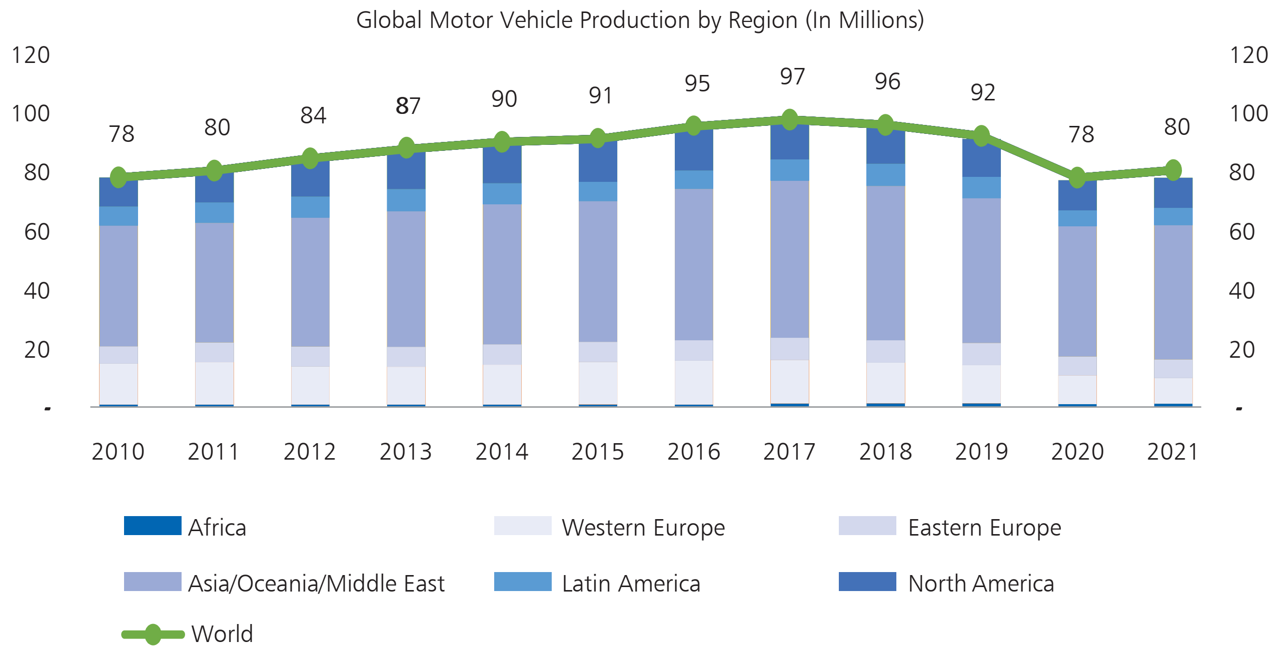
Indian GDP grew at 8.3–8.8% during FY 2021–22, and on the back of the above factors, is expecting strong growth of more than 7.5% and 6.5% in the next two fiscal years, respectively. This will likely mean that the baton for the fastest-growing emerging country will be passed on from China to India in the coming years.

Industry structure & developments:

Global automotive industry:

The global Automotive Industry is recovering from the worst of the pandemic and the economic havoc it wrought in 2020, but the recovery is not quite turning out to be as smooth as many predicted. The scale of the disruption to economies and suppy chains, as well as the complexities for governments and corporations in dealing with an unprecedented public health crisis, have been a barrier.

In the Global automotive sector, the rebound in overall sales and output , experienced in 2021 as economies opened up again continued into CY 2022, until a number of bumps in the recovery path became evident and depressed vehicle markets – particularly in the second half of the year. The semiconductor shortage and subsequent supply-side impacts was compounded by the uneven progress – looked at globally – of vaccination strategies and the emergence of new Covid-19 variants that hit some regions (notably southeast Asia) more severely than others.



Source: International Organisation of Motor Vehicles Manufacturers (OICA)

As shown in above graph, Global Motor vehicle production has increased to 80.15 Million in CY 2021 in comparison to 77.62 Million in CY 2020 registering an increase of 3.2%. However, recovery is still way below the pre pandemic levels.

The conflict in Ukraine once again exposes the fragility of the world's economy and the automotive supply chains. The damaging war and severe sanctions against Russia have already impacted the energy prices, logistics and raw material costs. As automakers grapple with the volatility, there is a growing push to tie up with global foundries to ensure chip supplies. The disruption of the automotive supply chain due to logistical challenges and production halts is a much-struggling biosphere.

The economy and the global health situation are slowly starting to take a step in the right direction. With several hurdles overcome during the last year, the outlook for 2022 looks positive by comparison. S&P Global Mobility has projected that the shortage hindering global vehicle production is poised to persist into CY 2022 before supply catches up with demand in early CY 2023. As a result, they forecast a moderate growth in the global motor vehicle production for CY 2022 at 81.6 Million followed by growth of 8.5% at 88.5 Million units for CY 2023.

INDIAN AUTOMOTIVE INDUSTRY:

As we enter the third straight year of the pandemic, the Indian auto industry has proved itself to be exceptionally resilient again. Considering the industry was already in its worst slump in decades when the pandemic first hit in 2020, OEMs have been able to use this sudden demand for personal transport to their advantage very well. This despite the waves of lockdowns and a serious semiconductor crunch that has led to production schedules and launch timelines going haywire.

The impact of the semi-conductor shortage was intensified with the geopolitical tensions around Ukraine. However, the industry has made efforts to ease up the supply chain issues, minimise costs, improve exports and make investments in new technologies to improve the overall demand sentiments.

Indian Automotive Trends

Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	YoY Growth % in FY 2021-22
Passenger Vehicles	40,20,267	40,28,471	34,24,564	30,62,280	36,50,698	19%
Commercial Vehicles	8,95,448	11,12,405	7,56,725	6,24,939	8,05,527	29%
Three Wheelers	10,22,181	12,68,833	11,32,982	6,14,613	7,58,088	23%
Two Wheelers	2,31,54,838	2,44,99,777	2,10,32,927	1,83,49,941	1,77,14,856	(3%)
Quadricycle	1,713	5,388	6,095	3,836	4,061	6%
Grand Total	**2,90,94,447**	**3,09,14,874**	**2,63,53,293**	**2,26,55,609**	**2,29,33,230**	**1%**

Source: Society of Indian Manufacturers (SIAM)

ANNEXURE-H (Contd.)

During FY 2021-22, the auto industry produced a total of 22,933,230 units registering only 1% growth YoY basis. However, except Two Wheeler category, other three major categories i.e. Passenger vehicles, commercial vehicles and three wheelers have registered a rebound in growth of 19%, 29% and 23% respectively on the low base of FY21. Despite this growth, production of all four vehicle segments are below even 2018-19 level.

Two Wheeler ICE demand remained subdued during the year both in rural as well as in urban markets amidst higher fuel prices and a steep increase in the acquisition cost of the vehicle driven by higher commodity prices and insurance costs. On the bright side, we have seen strong demand momentum for electric two-wheelers (E-2W) in FY 2021-22 driven by rising petrol prices, new launches, and government subsidies. Monthly run rate of E-2W picked up from ~8,000 units in March 2021 to ~50,000 units in March 2022.

The Indian automotive industry is driving into FY 2022-23 with a positive mind-set in its quest to reach the pre-pandemic levels of volume, having made a strong recovery in FY 2021-22. With demand still buoyant in the passenger vehicle segment despite challenges of long delivery times and vehicle price increases, many automobile manufacturers are upbeat to embrace new technologies, especially in the electric mobility space which is expected to witness a slew of launches in both four- and two-wheeler categories in the coming year.

Two wheeler demand is also expected to pick up with private consumption which is regaining traction backed by a recuperating contact intensive services and rising discretionary spending. Also, Skymet has forecast a normal monsoon this season. If the same is evenly distributed, it will have a positive rub-off on rural sentiment as farmers will be able to get better crop realisation thus increasing their disposable income. It will thus benefit 2W demand and output.

The CV segment after a long downturn which began post the revision in axle loading norms in 2018 is now witnessing strong demand recovery as all sub-categories continue to head north.

Overall, the medium and long term outlook remains positive as we believe that the worst of commodity prices pressure and chip shortage are behind us. Domestic auto industry is poised for strong growth in coming years.

Auto Component Industry:

The Indian Auto Component Industry registered a growth of around 17% in FY 2021-22 driven by vehicle producation, replacement, export volumes and pass-through of commodity prices. The healthy volume growth, however, came on a low base of FY 2020-21.

While domestic OEM demand has remained a mixed bag across segments in FY 2021-22, with a slowdown in two-wheelers (2Ws) and semiconductor shortage dragging down overall production volumes, exports have remained a bright spot in the Indian auto component story, partly aided by the "China+1 strategy". The aftermarket segment also performed well with the improvement in personal mobility, healthy freight movement and deferment of new vehicle purchases due to cost inflation, which have supported replacement sales in the last financial year.

Due to high development prospects in all segments of the vehicle industry, the auto component sector is also expected to grew by double digits in FY 2022-23 as well. The medium term and long term prospects also remain very promising with premiumisation of vehicles, higher localisation, improved exports potential and new EV opportunities, resulting in higher content per vehicle, would translate to healthy growth for auto component suppliers. As per Automobile Component Manufacturers Association (ACMA), the Indian auto component industry aims to achieve US$ 200 Billion in revenue by 2026 which is almost 4-fold growth from current levels.

OPPORTUNITIES

Large-scale digitisation

Automotive players have been deploying digital technologies across their manufacturing processes from product design, procurement, production, supply chain, all the way to sales and marketing. Several automotive companies have steadily enhanced their digital capabilities through re-organisation, creation of digitalisation business units and task forces while many others are partnering, acquiring and forming joint ventures to create a more resilient business.

Some latest digital trends include digitalization of the car buying process, autonomus driving, connected supply chain and improved manufacturing, predictive maintenance, data protection and security and Mobility-as-a-service (MaaS). All these in-vehicle and across the enterprise digital trends show an opportunistic growth for the automotive sector.

Adoption of new technologies

More recently, several automobile manufacturers are open to incorporating new technologies, especially in the electric mobility category, which is expected to result in numerous launches in both four- and two-wheeler categories in 2022.

Favorable Government Policies

Favorable government policies such as the recently announced ₹ 76,000 Crores for semiconductor manufacturing scheme, the extension of FAME-II scheme of ₹ 10,000 till 2024, production-linked incentive (PLI) scheme for the auto and auto component sector for ₹ 26,000 Crores, and PLI for advanced chemistry cell for ₹ 18,000 Crores will provide enormous support to the sector as it implements innovative technologies.

Global demand for India-made auto components

It has also been observed that global demand for India-made auto components and the focus on electric vehicles has resulted in several opportunities that the component manufacturers can harness. According to Automotive Component Manufacturers Association (ACMA), the automobile component export from India is expected to reach US$ 80 Billion by 2026.

The hidden gem- Scrappage of Vehicles Policy

The Vehicle Scrappage Policy 2021 will help in removing and scrapping old and unfit vehicles which are creating pollution and harming the environment. Under the policy, the vehicles will have to be removed from service and scrapped as soon as the car registration period gets over.

This policy will propel growth, encourage new car sales and also enable manufacturers to deliver in accordance with environmental concerns. The government has also proposed OEMs to offer discounts on the purchase of new vehicles after scrapping an old vehicle. This policy will also reduce their dependence on steel imports as steel and other metal deposits from the scrapped cars will be recovered and recycled which will help in cutting down the metal imports.

Business overview

Switch & Handle-Bar Systems Division:

UNO Minda is one of most prominent global manufacturers of switching systems and handle-bar assembly for **2Ws and 3Ws**. The company serves almost all major OEMs and also develops switching solutions for off-road vehicle segments. It has maintained its leadership position through its domestic production facilities spread across 10 domestic plants and 2 overseas production facilities at its 100% subsidiaries in Indonesia (PTMA) and Vietnam (MIVCL) respectively. The Company has consistently delivered value at desired cost which has helped it gain trust amongst customers. The Company's marquee clientele speaks of the trust it has earned over the years. It includes Bajaj, Honda Motorcycles, Hero MotoCorp, Royal Enfield, Yamaha Motors, Ducati, Harley Davidson and Piaggio, among others. The Company envisions sustaining its global leadership position and continuing as the most preferred supplier of switch systems to 2Ws and off-road vehicles across the globe. With this aim in mind, the division clearly works towards and focuses on developing cost-effective, innovative, and quality solutions.

The Company has been consistently maintaining its leadership position in India in the **4W switching business** through its subsidiary named Mindarika Private Limited. Tokai Rika is the joint venture partner for this business for last 30 years. It has 4 manufacturing locations at Manesar, Pune, Chennai & Ahmedabad and has its own dedicated R&D centre. The Company supplies to major OEMs including Toyota, MSIL, Tata, M&M, Hyundai, among others.

The business registered a revenue of ₹ 2,324 Crores for FY 2021-22 as against ₹ 1,868 Crores for FY 2020-21, contributing to about 28% of the total consolidated turnover. The growth in switches segment is driven by 2W switches exports and increase in content per vehicles consequent to increase in number of switches in both 2Ws and 4 Ws.

Lighting Division:

As one of the country's leading manufacturers of the automobile lamps and signaling devices, UNO Minda is renowned for its lighting solutions, designing, R&D, manufacturing and delivering end-to-end solutions to the country's leading OEMs. The division operates across its plants at Manesar, Pune, Chennai and Ahmedabad. The Company produces premium lights for 2-Wheelers, 3-Wheelers, and 4-Wheelers, as well as off-road vehicles. The clientele includes the world's renowned OEM brands like Maruti, Renault Nissan, M&M, Royal Enfield, Yamaha, Tata, Suzuki, Swaraj Mazda and New Holland, Bajaj, Triumph, KTM and ISUZU among others. UNO Minda's lighting business is also present in Indonesia through its subsidiary PTMA where it serves some key Japanese OEM's in PV segment.

In 2016, the Company acquired the global lighting business of the Rinder Group, based in Spain, and renamed it to Minda Rinder which was subsequently merged into Minda Industries Limited. Rinder division is spread across its facilities at Bahadurgarh, Pune, Hosur and Sonipat. This acquisition has strengthened expansion of the Company's presence in 2W segment, well supported by Rinder's extensive R&D centre in Spain.

In 2020, UNO Minda also acquired 100% interest in Delvis Gmbh, a complete system developer for automotive lightings which has proven capabilities in design, development, and manufacturing of innovative lighting solution for next generation vehicles. It offers full range of products and leading edge design solutions, from cost-optimised basic headlights to adaptive LED headlight systems with dynamic lighting functions, interior lighting solutions including overhead control units, ambient lighting, indicator and locator lighting and LCD backlights. Delvis is among the top players with state-of-the-art lighting technology and works closely with German OEMs (VW / Audi/ Porsche) in pre-development activities for high end platforms, which deploy the next level of technologies.

We have reorganised our business verticals and entities in Europe and as part of reorganisation, Delvis and iSYS RTS GmbH has been merged to provide a focused customer approach. Post merger, product and services are further realigned into separate entities i.e. UNO Minda Systems GmbH and CREAT GmbH respectively.

ANNEXURE-H (Contd.)

With the augmented lighting technologies and capabilities added through the Delvis GmbH acquisition, UNO Minda has won orders of more than ₹ 400 Crores in India in last few years. We are also in the process of setting up another automotive lighting plant in Gujarat to serve these incremental orders. The Plant is expected to be commissioned in FY 2022-23.

The Lighting Business achieved revenue of ₹ 1,847 Crores for FY 2021-22 as compared to ₹ 1,417 Crores for FY 2020-21, contributing 22% to our total turnover. The growth in lighting segment is driven by incremental orders coupled with premiumisation of automotive lights.

Acoustic Division:

Over the years, UNO Minda has emerged as the market leader in automotive horn manufacturing solutions catering to 2Ws, 4Ws, off-road vehicle and CVs in India. The division, with its domestic manufacturing units at Manesar and Pantnagar, is well supported by a dedicated R&D team for the design and development. Together, they deliver extremely durable and high-quality automotive horns with optimum performance. The marquee clientele includes Maruti Suzuki, Renault, Nissan, Tata Motors, Bajaj Auto Limited, Honda Motorcycles and Scooters, Hyundai, and Royal Enfield.

In 2013, the group acquired Spain-based Clarton Horns S.A.U., a leading manufacturer of electronic automotive horns, trumpet horns and disc horns. With Clarton's manufacturing facilities situated in Spain and Mexico, it is amongst the top two global players in automotive acoustics, giving the Company an access to leading European and American OEMs. UNO Minda, along with its subsidiary Clarton Horn, is world's second largest manufacturer of automotive horns.

Acoustic Business recorded revenue of ₹ 656 Crores for FY 2021-22, contributing 8% to our total turnover as against ₹ 634 Crores for FY 2020-21. Acoustic business has registered subdued growth on account of supply chain challenges in Europe and consequent production cuts.

Castings Division:

UNO Minda Group along with its subsidiary Minda Kosei Aluminum Co Private Limited (MKA) is a leading and the largest Indian manufacturer of alloy wheels. MKA, with its manufacturing facility at Bawal and Ahmedabad, produces alloy wheels for 4 wheelers with an installed capacity of approximately 2,10,000 wheels per month through Gravity Die Casting (GDC) Process. The proposed expansion in the capacity at the Bawal plant from 1,20,000 to 1,80,000 wheels per month is on the verge of getting commissioned. The group has further announced expansion in capacity at Gujarat Plant from 90,000 to 1,20,000 wheels per month with an expected SOP date of June 2023.

The partnership with Dayou Global, South Korea has enabled the group to expand its portfolio into producing wheels through Low Pressure Die Casting (LPDC) process. During the year, the Company has partially commissioned its capex project having an installed capacity of 25,000 wheels per month.

Alloy Wheel Business for 2 wheelers housed under the flagship company MIL is located near Pune, Maharashtra and has an installed capacity to produce ~3.6 Million wheels per annum. All the production lines have been commissioned and the Company is catering to OEM requirements. The group has further announced expansion in capacity by ~2 Million wheels per annum with an expected SOP date of March 2023.

The aluminium die casting business, housed under MIL, is designed to cater to a volume of 25,000 engine parts/ components per day. The manufacturing plants in Rewari, Haryana and Hosur, Bangalore are invested with modern state-of-the-art facility and equipments for operations.

Castings Division achieved revenue of ₹ 1,467 Crores in FY 2021-22 as compared to 748 Crores in FY 2020-21 contributing 18% of our Total turnover. The Casting Division achieved outstanding growth with the commissioning of the 2W Alloy Wheel Plant and increasing penetrating of 4W Alloy wheel business resulting in large orders for us.

Seatings Division:

Post the Merger of Harita Seating Systems Limited (HSSL) with Minda Industries Limited (MIL), the group has unlocked another gem in automotive systems solutions in the Seatings segment. The merger has potential to create significant shareholder value backed by superior business profile and performance. This transaction encompassed merger of HSSL into MIL and its 51% holding in Harita Fehrer Limited (HFRL) which is a joint venture with Fehrer Automotive GmbH, one of the leaders in automotive seating business in Germany and Europe. The group further acquired remaining 49% stake of Fehrer GmbH and HFRL is now a WOS of MIL.

MIL-Seating division is engaged in manufacturing, product development and sale of safe, ergonomic and reliable driver seats and bus passenger seats. Their key customers include Volvo, Ashok Leyland, Bharat Benz, John Deere and TATA's among others.

HFRL specialises in manufacturing of two/three wheeler seats, PU Foam pads and composites and caters to a clientele of TVS, Yamaha, BMW Suzuki and Royal Enfield amongst others.

Seatings Division achieved a revenue of ₹ 902 Crores in FY 2021-22 as compared to ₹ 757 Crores in FY 2020-21 contributing 11% of our Total turnover. Seating division registered YoY growth of around 19% on account of further diversification of customers and increase in exports.

Other Business:

Sensors Division: The Sensors and Controllers (SAC) division has come a long way from its inception in 2005 to being a

ANNEXURE-H (Contd.)

leading supplier of electronic components to major Indian OEMs. The state-of-the-art production facility at Pune, manufactures products that meet customer' requirements and expectations. The division deals in Start Stop Sensors, Contact and Non – Contact type Speed Sensors, HID Ballast, TPMS (Tyre Pressure Monitoring System), EAPM (Electronic Accelerator Pedal Module), DC-DC Converter.

The Company, over the years, has built a loyal customer base which boasts names such as Mahindra, Volvo Eicher, Royal Enfield, Tata, and Bajaj. The division also has access to Wheel speed sensor technology which will find application across all PV platforms.

Controllers and Telematics Division: The controller division has pioneered the lamp Leveling motor solutions and is a leader in this product category with major OEMS as its customers. The Company has also acquired knowledge of AIS 140 for this technology from KPIT Engineering for design of IVTS and OBITS. Controller division is positioned well to meet the rising demand of the evolving technology in controller and telematics space. Erstwhile iSYS RTS, Germany, a 100% subsidiary of MIL is closely working with this division to ensure the product offerings are of global standards.

EV Business: With the rapidly evolving scenario of auto electrification, UNO Minda group has also strategically placed itself as the leading auto components supplier for OEMs in EV, especially 2 wheelers. The group has also recently entered into JV agreement with FRIWO Group, a leading international manufacturer of innovative power supply units and e-drive solutions to further strengthen our EV product portfolio.

UNO Minda now has one of the most formidable EV product portfolio in the industry with its bouquet of products which includes Battery Packs and BMS, Chargers (both On-board and Off-board), Smart Plug with RCD Cable and Motor Controllers among others. Our potential kit value for EV 2W is around ₹ 50,000 vs ~₹ 7500 for ICE providing substantial opportunity for growth. We have also announced capex of ₹ 390 Crores over a period of next 6 years for Electric vehicles specific plant to be incurred to support our growth plans in electrifications.

Aftermarket: The group is bullish on bolstering its presence in B2C segment along with its presence as a preferred choice amongst OEMs. The Company has an impressive network of more than 40,000 retailers, 67,000 garages and presence in 150 Indian cities in addition to 5 different countries. The division has been regularly registering a growth of 20% Y-o-Y.

Aftermarket Division achieved a revenue of ₹ 826 Crores in FY 2021-22 as compared to ₹ 673 Crores in FY 2020-21 contributing ~10% of our Total turnover.

The group through its subsidiaries and associates is also engaged in manufacturing of blow moulding, hoses (brakes and fuel), fuel caps, air filters, air bags, CNG and LPG kits, speakers, and infotainment, among others.

Product-wise revenue

Division	Switches	Lighting	Acoustics	Castings	Seatings	Others
%	28%	22%	8%	18%	11%	13%

Market-wise revenue contribution

Domestic	85%
Exports	15%

Financial Performance

Particulars	FY 2020-21	FY 2021-22	% change
Debtors Turnover (Days)	59	57	4.2%
Inventory Turnover (Days)	63	62	1.8%
Current Ratio	0.96	1.28	33.4%
Net Debt Equity Ratio	0.31	0.15	51.7%
EBITDA Margin (%)	11.4%	10.7%	-72 bps
Net MIL Profit Margin (%)	3.2%	4.3%	104 bps
Net Cash flow from operating activities (₹ Crores)	343	344	0.4%
Interest as a % of Revenue	1.16%	0.75%	-41 bps
Depreciation as a % of Revenue	5.89%	4.71%	-118 bps
Interest Coverage Ratio	9.84	14.21	44.3%
Return on Net Worth	10.6%	13.0%	249 bps

ANNEXURE-H (Contd.)

Risks and Mitigation

Risk management is an important business driver and is integral to the achievement of the group's long-term business plans. We take an integrated approach to minimise risk and run proper assessments to maximise growth. By managing the associated risks, we strive to achieve a balance between our goals of growth and return and the related risks.

We have identified and laid down various types of risks and mitigants thereof in our Integrated Report in detail.

Human Resources

We as an employee-centric organisation always puts our people at the heart of whatever we do. At UNO Minda, we believe that the success of the organisation and its people go hand-in-hand

To further strengthen our people practices, UNO Minda HR Team partnered with BIG 4 consulting firms to relook at our HR Strategy and Re-imagine the HR Roadmap, to design a Future Ready People Function. As part of this HR Roadmap 2.0, we have planned to roll out renewed initiatives with an intent to positively impact the employee journey at UNO Minda. These initiatives revolve around health and wellness of employees, learning and development, mentoring and coaching, building an appreciation culture, flexible work hours etc. The aim is to transform the UNO Minda employee value proposition. Some of these initiatives have already been implemented while others will be rolled out periodically over the course of next 2 years across the entire HR lifecycle.

Employee health and well-being has always remained the top most priority of UNO Minda Group. We focus on building a culture of holistic well-being including physical, emotional, financial, social, career, community, and purpose. Under our program named UNO Minda Energise, we are conducting number of webinars on mindfulness, yoga, emotional intelligence, mental health, eye health, financial planning and more. UNO Minda Energise brings the right dose of everything that can help employees sustain, grow and manage their health and harmony of life. We have also partnered with leading online health tech platform to provide host of health and wellness benefits to our employees and their families which include preventive healthcare & wellness services, special privileges on medicine, lab test, doctor online consultation and wellness counselling.

We launched spot recognition program UNO Minda Bravo to acknowledge and appreciate an employee's effort. The program is aimed to not only offer timely rewards and recognition but also to build appreciation as a natural part of company culture.

At the beginning of the current year, we also move to a role based organisation from Hierarchical designations as part of overall Organisational Business Transformation (OBT) exercise. Redesigned Organisation structure has brought in more clarity, transparency and better accountability with focused purpose. We will continue to reap benefit of various HR initiatives taken at the beginning of the year as part of Organisation Business Transformation.

We have also built a robust skill development program that is enabling overall skill development of the functional employees and ensuring the right skills are available based on future competencies. We have developed institutionalised coaching and mentoring program for employees to take up the more significant role and challenges. These initiatives have helped us in succession planning for all critical roles in the organisation.

Over the years, UNO Minda has created a great place to work for all our employees by excelling on the 5 dimensions of a high-trust, high-performance culture – Credibility, Respect, Fairness, Pride and Camaraderie. We are now also certified Great Place to Work 2022 by Great Place to Work Institute India. We featured in Wall of fame of Great Place to Work Institute amongst the top 30 Best Work places in manufacturing companies in India. We have also been awarded Economic Times Human Capital award for Excellence in HR Digital Transformation. The particulars of total employees and its further break up in different segments has been covered in our Integrated Report in detail.

Environment, health, and safety (EHS)

UNO Minda is committed to continual improvement of our environment, occupational health and safety practices and demonstrating the same. We have dedicated EHS team to maintain, sustain and improve the EHS culture of the UNO Minda Group. We have EHS strategy to achieve the same which is also interlinked with EHS Management System which is the part of Minda Systems Manual (MSM). We are following complete PDCA cycle in our EHS journey and doing regular monitoring and review of all EHS activities. We have taken very focused approach to improve EHS in group as per defined EHS Focus Area FY 2021-22 & EHS Strategy FY 20-25. We have organised many EHS promotional activities during Road Safety Month, National Safety Month, Environment Day celebration and followed the same practices on regular basis. We also ensure the active participation of our employees including shop floor employees thru EHS committee meeting, EHS Kaizens, Submission/ reporting of unsafe acts/ conditions/ near misses etc. To improve the awareness and skill, we are conducting many EHS trainings (LOTO, EHS awareness, Fire prevention and Control, Fire Drill, Permit to Work system etc.) for our employees on regular basis. Our plants are also certified for ISO14001:2015/ISO45001:2018.

We have also taken many initiatives to reduce the water consumption and CO2 footprints in plants. Actions taken to reduce the water consumption are : install the sensor operated water tap, Use of waste water in toilets and gardening,

ANNEXURE-H (Contd.)

installation of level sensors, use of leak test machine waste water in CNC coolant tank, installation of aerator in taps, installation of waterless urinals etc.

Actions taken to reduce the CO_2 footprints are : Installation of LED lights, Waste heat recovery system, Variable frequency drives, Electronic commutation fans, PNG fired furnaces, installation & commissioning of roof top solar plant, availing renewable energy from solar park in Maharashtra & Tamil Nadu etc.

Internal Control Systems

MIL is a system-driven company. Our effective internal control system plays a crucial role in our efficient daily operations. The Company follows a systematic method of financial reporting of various transactions, efficiency of operations, safeguarding of assets and compliance with applicable statute and regulations. Our structured audit system is an on-going process. It forms a basis for reviewing the adequacy of internal control systems. Our internal control is aptly designed, ensuring reliability of financial and other records necessary for the preparation of financial information and other related data.

Our exhaustive budgetary monitoring control system helps evaluate the performance. This evaluation is done with reference to budgeted performance by the management review committee daily. The discrepancies, if any, with actual performance and the budgets are methodically analysed regularly. The Management Review Committee, in consultation with the Audit Review Committee, then suggests possible remedial actions.

The internal audit is carried by the internal team and Internal Auditors of the Company. The reports, thereby prepared, are reviewed in the Audit Committee meetings. Corrective measures to strengthen the internal controls are suggested and taken in consideration. Further, the suggestions by Internal Audit Committee are reviewed and considered by Audit Committees. This is done on a quarterly basis. The motto here is improvement of internal controls and systems within the Group.

The Board then reviews the Internal Audit Committee's suggestions. Post reviewing, the Board approves appropriate suggestions and the resultant reports are reviewed by the Audit Committee and the Board members together.