

Stanglmair, Anna (SMP)

Von: Riethmeier, Jasmin (SMP)
Gesendet: Montag, 14. April 2025 08:39
An: Stanglmair, Anna (SMP)
Betreff: WG: Austerity measures in light of tariff challenges

From: "Sehgal, Laksh Vaaman (SMG)" <LVS@motherson.com>
Date: April 10, 2025 at 01:19:26 GMT+5:30
To: SMG_COO_GLOBAL_GROUP <smgcoo@motherson.com>
Cc: "V C Sehgal (Group Chairman)" <vcs@motherson.com>
Subject: Austerity measures in light of tariff challenges

Dear Ladies & Gentlemen,

In light of the evolving global economic landscape and the intensifying tariff challenges affecting our business, it is important for us to take proactive and unified action to safeguard the financial stability and long-term resilience of our Group. The impact of these geopolitical shifts is expected to persist, and it is our collective responsibility to respond decisively and prudently.

Accordingly, I urge all business units to implement the below austerity measures with immediate effect, particularly focusing on the following areas-

1. Suspension of All Capital Expenditure/ Exceptional Revenue expenditure

Effective immediately, all capital and exceptional revenue expenditures that are not critical to safety, regulatory compliance, operational continuity, or directly linked to customer programs where the customer has agreed to absorb the impact of tariffs, must be deferred or re-evaluated. Any exceptions to this must receive prior approval from the respective RCO Head.

2. Hiring Freezes

All new hiring activities across functions and regions must be frozen until further notice, with the exception of critical roles deemed essential to business continuity. Any exceptions must be pre-approved by the respective RCO Head.

3. Restrictions on Travel, Conferences, Meetings, and Summits

Business travel should be minimized unless absolutely necessary, and participation in external conferences, summits, and meetings should be avoided unless deemed strategically critical. Internal meetings to be held virtually wherever possible to reduce costs.

4. Control over Discretionary Expenditures

All discretionary spending, including marketing, events, training programs, non-essential IT projects, consultancy charges, and any other additional overheads, should be deferred or minimized until further review.

5. Reporting and Review

I request each business unit to submit a fortnightly austerity implementation report highlighting key actions taken, cost savings achieved, and any exceptions sought. The first report can be shared by 14th April 2025, with subsequent reports planned for the 2nd and 4th Monday of each month.

I believe the above measures are necessary to protect the long-term interests of our company, employees, customers, and stakeholders. I request your cooperation in implementing these measures swiftly and responsibly across all your teams. I urge you to approach this challenge with unity, agility, and the resilience that has always defined our organization.

Best Regards,
Vaaman