

SML Mahindra Limited
Trucks & Buses

Regd. Office & Works:
Village Asron, Distt. Shahid Bhagat Singh
Nagar (Nawanshahr) Punjab – 144533
Tel +91 1881 270155

SML/SEC/2026-27-026
27th June, 2026

Dy. General Manager, Corporate Relationship Department BSE Limited P.J Towers, Dalal Street Fort, Mumbai-400 001	The Secretary, National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot no. C/1, G Block Bandra- Kurla Complex Bandra (E), Mumbai – 400 051
Scrip Code: 505192	Scrip Code: SMLMAH

Subject: Annual Report 2026 including Notice of 42nd Annual General Meeting

Dear Sir,

We are pleased to enclose herewith a copy of Annual Report of SML MAHINDRA LIMITED for the financial year ended 31st March, 2026 including Notice of 42nd Annual General Meeting (AGM).

As informed earlier, vide our communication dated 20th April, 2026, 42nd AGM of the Company is scheduled on **Tuesday, 21st July, 2026 at 11:30 AM (IST)** through Video Conferencing / Other Audio Visual Means.

The Annual Report contains the following:

1. Report of the Directors
2. Audited Financial Statements
3. Independent Auditors' Report
4. Notice of Annual General Meeting

This is for your information and record please.

Yours faithfully,

For SML MAHINDRA LIMITED
(Formerly SML ISUZU Limited)

(PARVESH MADAN)
Company Secretary & Compliance Officer
pmadan@smlmahindra.com
ACS-31266

SML
mahindra

ANNUAL REPORT 2026



SML MAHINDRA LIMITED

CSR INITIATIVES & EMPLOYEE ENGAGEMENT 2025-2026



Company manufactured bus to Government school in rural area



Renovation of school infrastructure in flood affected areas



Support to underprivileged girls in the form of Fee & Uniform



Upgradation of Medical Infrastructure at Government Hospitals



Employee Engagement Activities



SML MAHINDRA LIMITED (formerly SML Isuzu Limited)

CHIEF FINANCIAL OFFICER

PUSHKAR PATWARDHAN

COMPANY SECRETARY

PARVESH MADAN

STATUTORY AUDITORS

B S R & Co. LLP

BANKERS

AXIS BANK

HDFC BANK

ICICI BANK

EXIM BANK

LISTING OF SHARES

BSE LIMITED

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

REGISTERED OFFICE & WORKS

VILLAGE: ASRON,

DISTT. SHAHID BHAGAT SINGH NAGAR

(NAWANSHAHR)

PUNJAB-144533

CIN- L50101PB1983PLC005516

CONTACT- (91) - 1881-270260/270155

EMAIL: investors@smlmahindra.com

WEBSITE: <https://smlmahindra.com/IN>

CORPORATE OFFICE

1ST FLOOR, T7 TECH PARK, C-119,

INDUSTRIAL AREA, PHASE-7, SECTOR 73, MOHALI,

SAS NAGAR, PUNJAB – 160055

CONTACT- 0172- 2647700-02

REGISTRAR AND TRANSFER AGENT

M/S MCS SHARE TRANSFER AGENT LIMITED

UNIT: SML MAHINDRA LIMITED

179-180, DSIDC SHED, 3RD FLOOR,

OKHLA INDUSTRIAL AREA, PHASE - I,

NEW DELHI - 110020

TEL: 011-41406149 FAX: 011-41709881

EMAIL: helpdeskdelhi@mcsregistrars.com

BOARD OF DIRECTORS

MR. VINOD KUMAR SAHAY

Executive Chairman

DR. VENKATARAMAN SRINIVAS

Executive Director & CEO

MR. CHANDRA SHEKHAR VERMA

Independent Director

MR. RAVI VENKATRAMAN

Independent Director

MR. ARUN KUMAR MALHOTRA

Independent Director

MS. SMITA MANKAD

Independent Director

MS. MAHIMA CHUGH

Non-Executive Non-Independent Director

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42ND ANNUAL GENERAL MEETING

on Tuesday, 21st July, 2026

at 11:30 A.M. (IST) through

Video Conferencing / Other Audio Visual Means

REPORT OF THE DIRECTORS

The Directors are pleased to present their 42nd Annual Report together with audited financial statements for the financial year ended 31st March 2026.

FINANCIAL RESULTS AND OPERATIONAL REVIEW

Financial highlights are given below:

(Rs. in Crores)

Year ended 31st March	2026	2025
Sales Volume (No. of Vehicles)	16,632	14,221
Sale of Products (Net) and Other Operating Revenues	2837.92	2,398.99
Profit before Other Income, Depreciation, Finance Costs and Tax	278.40	234.55
Add: Other income	8.32	6.06
Profit before Depreciation, Finance Costs and Tax	286.72	240.61
Less: Depreciation and Amortization	52.03	48.35
Profit before Finance Costs and Tax	234.69	192.26
Less: Finance Costs	20.74	29.88
Profit before tax	213.95	162.38
Less: Tax (including deferred tax)	54.20	40.71
Profit after tax	159.75	121.67
Add: Other Comprehensive Income / (Loss) [net of tax]	2.98	(1.44)
Total comprehensive income for the year	162.73	120.23

India's economy is projected to sustain its growth momentum in FY 2025–26, with real GDP growth estimated at 7.6%. The manufacturing sector is expected to record double-digit growth, underscoring its role as a key driver of economic resilience. Continued expansion across the secondary and tertiary sectors has further supported broad-based and sustained economic performance.

The domestic Commercial Vehicles (CV) industry during the year under review exhibited a strong increase in overall numbers with 10,79,871 vehicles (previous year 9,58,679 vehicles), a growth of 12.6% as compared to a decline of 1.2% during the previous year. Both Light Commercial Vehicles (LCVs) with a volume of 6,56,873 units (previous year 5,83,881 units) and Medium & Heavy Commercial Vehicles (M&HCVs) at 4,22,998 units (previous year 3,74,798 units) recorded a robust growth of 12.5% and 12.9% respectively. Following its last year's trend, the export of commercial vehicles yet again witnessed healthy growth of 17.4% this year as well, with volumes at 94,793 units (previous year 80,751 units). Both bus and truck segments posted a sizeable growth during FY 2025-26. While the bus segment growth was largely driven by increased passenger mobility across urban and semi urban markets, steady demand from school and staff segments, the truck segment led by resilient macro-economic environment with increased focus on infrastructure development projects and a revitalized logistic sector.

In this backdrop, the sales volume of your Company for FY 2025-26 also registered a robust growth of 17%, reaching 16,632 vehicles against 14,221 vehicles sold during FY 2024-25.

With higher volumes and focus on operational efficiencies, the Company's financial performance improved significantly, and your Company posted its highest ever Profit after tax of Rs. 159.75 crores for FY 2025-26 (previous year Rs. 121.67 crores).

DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT

No material changes and commitments occurred after the closure of FY 2025-26 till the date of this Report, which would affect the financial position of the Company or require disclosure.

CREDIT RATING

During the financial year under review, ICRA Limited upgraded the Company's long-term rating for bank facilities from [ICRA]AA- to [ICRA]AA+ with a stable outlook, while reaffirming the short-term rating for banking facilities at [ICRA]A1+. The rating upgrade factors in an expectation of improvement in the credit profile of your Company over the medium term, post the acquisition of majority equity stake by Mahindra & Mahindra Limited. The Company is likely to benefit from various operational synergies across product development, sourcing, distribution, and support functions over the medium term, which is likely to strengthen Company's earnings trajectory. The upgrade also factors in SML's improved earnings profile, supported by its established presence in the school and executive bus segments.

DIVIDEND

Keeping in view the improved financial performance of the Company during FY 2025-26, the Directors have recommended Final Dividend of 235% (Rs. 23.50/- per equity share of Rs.10 each fully paid up) for financial year ended on 31st March 2026 (previous year Rs. 18/- per share).

If approved by the shareholders at the ensuing Annual General Meeting, the above equity dividend will be paid to those shareholders whose names shall appear in the Register of Members as on the Record Date. The total equity dividend outgo for FY 2025-26 will absorb a sum of Rs. 34.01 crores (previous year Rs. 26.05 crores). Further, the Board of your Company has decided not to transfer any amount to the General Reserves for the year under review.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, the Board has approved and adopted a Dividend Distribution Policy. The policy is annexed as **Annexure A** and is also available on the website of the company at the link:

<https://smlmahindra.com/IN/investors/policies/corporate-policies>

DIVESTMENT

As reported in the last year's Annual Report, Sumitomo Corporation, Japan, the erstwhile promoter of the Company and Isuzu Motors Limited, Japan, a public shareholder, on 26th April 2025 entered into a Share Purchase Agreements ("SPAs") with Mahindra & Mahindra Limited (M&M), to sell their respective equity stake in the Company.

Pursuant to the aforesaid SPAs, M&M, on 1st August 2025, completed the acquisition of (a) 63,62,306 equity shares constituting 43.96% of the equity share capital of the Company from Sumitomo Corporation and (b) 21,70,747 equity shares constituting 15.0% of the equity share capital of the Company from Isuzu Motors collectively aggregating to 85,33,053 equity shares constituting 58.96% of the existing share capital of the Company. Accordingly, M&M has acquired sole control of the Company and has been classified as a 'Promoter' of the Company w.e.f. 1st August, 2025.

Further, in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, M&M announced an open offer for acquisition of up to 26.0% of the equity share capital of the Company, for cash consideration, from the eligible public shareholders of your Company and acquired 673 shares (0.01% of existing share capital of the Company) from the public under this process.

HOLDING COMPANY

Consequent to the acquisition of majority equity stake in the Company, Mahindra & Mahindra Limited also became the holding Company of SML Mahindra Limited (formerly SML Isuzu Limited) with effect from 1st August, 2025 and holds 58.97% of the paid-up equity share capital of the Company as on 31st March, 2026.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

NAME CHANGE

During the financial year under review, the name of the Company was changed from SML Isuzu Limited to SML Mahindra Limited by passing a special resolution by the shareholders of the Company on 26th September, 2025. Consequently, Registrar of Companies issued a new Certificate of Incorporation on 8th October, 2025, reflecting the new name of the Company. The change reflects a strategic alignment with new promoter and branding strategy.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 forms a part of this annual report.

CURRENT YEAR'S REVIEW

India's Commercial Vehicles Industry for the current fiscal 2027 is expected to benefit from infrastructure advancements and policy support. Government-led investments aimed at strengthening the road network and improving logistics efficiency are expected to drive demand for commercial vehicles. Furthermore, investment in smart transportation systems and urban mobility solutions is anticipated to boost the sector's expansion. In parallel, your Company is also enhancing its focus on export market.

However, the prevailing global environment and geopolitical tensions are posing some challenges for FY 2026-27. These factors could impact India's economic outlook, cause disruptions in supply chain, lead to steep commodity inflation etc. Measures to mitigate these risks will be crucial for sustaining growth for your Company.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has laid down adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. Based on the results of such assessments carried out by management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. Nonetheless your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Your Company uses SAP ERP Systems as a business enabler and to maintain its Books of Accounts. The transactional controls built into the SAP ERP system also help to strengthen the processes related to segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. Further, the SAP ERP System also has feature of recording an audit trail of each and every transaction, creating an edit log of each change made in books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were at arm's length, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There were no material transactions made by the Company during the year that would have required approval of the Members.

All related party transactions are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

The Company has adopted a policy to deal with related party transactions as approved by the Board of Directors. It is available on the Company's website at the web link:

<https://smlmahindra.com/IN/investors/policies/corporate-policies>

In terms of Section 134(3) (h) of the Companies Act, 2013, there are no transactions to be reported in Form AOC-2. The details of the related party transactions as per Ind-AS, are set out in Note 36 to the Financial Statements.

DIRECTORS

During the financial year under review, the following changes took place in the board composition.

Consequent to his appointment by the Board at its meeting held on 21st March, 2025, Mr. Yasushi Nishikawa become the Managing Director & CEO of the Company w.e.f. 17th April 2025 in place of Mr. Junya Yamanishi who resigned as Managing Director & CEO w.e.f. 16th April, 2025.

Thereafter, as mentioned in the previous year's Annual Report, pursuant to the terms of Share Purchase Agreements (SPAs) executed between erstwhile Promoter – Sumitomo Corporation (Sumitomo) and erstwhile Public Shareholder - Isuzu Motors Limited (Isuzu) with Mahindra & Mahindra Limited (M&M), representative Directors of Sumitomo and Isuzu resigned from the directorship of the Company from close of 1st August, 2025. Besides this, consequent to the change in control of the Company, Ms. Atima Khanna and Mr. Sanjeev Mehan, Independent Directors of the Company, also tendered their resignations from close of 1st August, 2025. Taking note of the these resignations, the Board, at its meeting held on 1st August 2025, placed on record its deep appreciation for the valuable contributions made to the Company by the outgoing Directors from Sumitomo - Mr. Ryusuke Miyake, Mr. Takahiro Jitoshio, Mr. Takashi Sakuma, and Mr. Yasushi Nishikawa; the Director from Isuzu - Mr. Tomoyuki Yamaguchi; and the Independent Directors - Ms. Atima Khanna and Mr. Sanjeev Mehan.

Further, the Board, on the recommendation of its Nomination & Remuneration Committee, appointed two (2) Whole Time Directors, one (1) Non-Executive Non-Independent Director and three (3) Independent Directors with effect from 1st August, 2025, subject to the approval of the shareholders. Further, the Board also appointed Mr. Vinod Kumar Sahay as Chairman of the Company in place of Mr. C.S. Verma effective 3rd August, 2025.

Subsequently, at 41st Annual General Meeting held on 26th September, 2025, the Shareholders of the Company, basis the recommendation of the Board of Directors, approved the following:

- a) Appointment of Mr. Vinod Kumar Sahay as Whole-time Director of the Company designated as "Executive Director", not liable to retire by rotation, for a term of three (3) consecutive years from 1st August, 2025 to 31st July, 2028 (both days inclusive) and re-designated him as Executive Chairman w.e.f. 3rd August, 2025.
- b) Appointment of Dr. Venkataraman Srinivas as Whole-time Director of the Company designated as "Executive Director and Chief Executive Officer", liable to retire by rotation, for a term of three (3) consecutive years from 1st August, 2025 to 31st July, 2028 (both days inclusive).
- c) Appointment of Ms. Mahima Chugh as Non-Executive Non-Independent Director of the Company, liable to retire by rotation w.e.f. 1st August, 2025.
- d) Appointment of Mr. Ravi Venkatraman, Mr. Arun Kumar Malhotra and Ms. Smita Mankad as Independent Directors of the Company, not liable to retire by rotation, for a term of three (3) consecutive years from 1st August, 2025 to 31st July, 2028 (both days inclusive).

In terms of Section 152 of the Companies Act, 2013, Ms. Mahima Chugh, Non-Executive Non-Independent Director, shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

BOARD MEETINGS AND ANNUAL GENERAL MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.

Nine (9) Board Meetings were held during the year as detailed in the Corporate Governance Report which forms part of this report.

The 41st Annual General Meeting (AGM) of the Company was held on 26th September, 2025 through Video Conferencing / Other Audio Visual Means.

INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Listing Regulations. The Board is of

the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfil their duties as Independent Directors.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs, Manesar ("IICA").

MEETINGS OF THE INDEPENDENT DIRECTORS

The Independent Directors of the Company meet at least twice in every financial year without the presence of Non-Independent Directors, Executive Directors and any other management personnel. The meeting(s) are conducted in a manner to enable the Independent Directors to discuss matter pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the financial year under review, two meetings of Independent Directors were held on 16th January 2026 and 24th March 2026.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of familiarization programme for Independent Directors in respect of their roles, rights & responsibilities, nature of the industry in which Company operates, business model of the Company and related matters are available on the website of the Company at web link:

https://smlmahindra.com/storage/uploads/finance_reports/Familiarisation-programme.pdf

BOARD EVALUATION

Pursuant to the provisions of the Companies Act and Listing Regulations, performance evaluation of the Board and its Committees and all the Directors was undertaken, and the details are covered in the Corporate Governance Report.

NOMINATION AND REMUNERATION POLICY

Based on the recommendations of its Nomination & Remuneration Committee, the Board has adopted the following policies:

- a) Policy on appointment of directors and senior management and succession planning for orderly succession to the board and the senior management.
- b) Policy for remuneration of the directors, key managerial personnel and other employees.

The above policies, attached as **Annexure B** and **Annexure C**, and are also available on the website of the Company at the link - <https://smlmahindra.com/IN/investors/policies/corporate-policies>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) and 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2026, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2026 and of the profit of the Company for the year ended on that date;
- (c) they 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) they have prepared the annual accounts on a going concern basis;

- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDIT COMMITTEE

The Audit Committee of the Company at the beginning of the financial year 2025-26 was comprised of three Independent Directors viz. Mr. C. S. Verma (Chairman), Ms. Atima Khanna and Mr. Sanjeev Mehan. With the change in the composition of the Board effective 1st August 2025, the Audit Committee, was also reconstituted w.e.f. 1st August, 2025 with Mr. Ravi Venkatraman (Independent Director) as Chairman, Mr. Arun Kumar Malhotra (Independent Director) and Mr. Vinod Kumar Sahay (Executive Chairman) as Members. All the Members of the Committees possess accounting and financial management knowledge.

The Company Secretary of the Company is the Secretary of the Committee.

All the recommendations made by the Audit Committee during the year were accepted by the Board.

KEY MANAGERIAL PERSONNEL

During the year, the following have been designated as the Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Mr. Junya Yamanishi, Managing Director & Chief Executive Officer (up to 16th April, 2025)
- b) Mr. Yasushi Nishikawa, Managing Director & Chief Executive Officer (w.e.f. 17th April, 2025 and ceased w.e.f. 1st August, 2025)
- c) Mr. Vinod Kumar Sahay, Executive Director (w.e.f. 1st August, 2025) and Executive Chairman (w.e.f. 3rd August, 2025)
- d) Dr. Venkataraman Srinivas, Executive Director & Chief Executive Officer (w.e.f. 1st August, 2025)
- e) Mr. Rakesh Bhalla, Chief Financial Officer (up to 30th September, 2025)
- f) Mr. Pushkar Patwardhan, Chief Financial Officer (w.e.f. 1st October, 2025)
- g) Mr. Parvesh Madan, Company Secretary

PARTICULARS OF EMPLOYEES

The information as per Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report is attached as **Annexure D**.

The disclosure as per Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report and in terms of Section 136 (1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members excluding the aforesaid statement. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at investors@smlmahindra.com.

INDUSTRIAL RELATIONS

Industrial relations and work atmosphere remained cordial throughout the year with sustained communication and engagement with workforce through various forums.

MATERNITY BENEFITS ACT, 1961.

The Company is in compliance with the provisions relating to the Maternity Benefits Act, 1961.

SAFETY, HEALTH AND ENVIRONMENT

The Company continues to demonstrate steadfast commitment to safety, health and environment which have been adopted as core organizational values. The Company cultivates Zero Fatality and No Harm Culture across its operations

and facilities led by the comprehensive Occupational Health and Safety Management System in place in adherence to robust governance standards, SHE policy, standard operating procedures (SOPs), digitalization and periodical training for all employees and workers. Additionally, the Company also provides specialized training to the operating team to conduct Hazard Identifications and Risks Assessment (HIRA) across all activities in its manufacturing plant. The Occupational Health and Safety Management System in the Company is periodically audited by an independent third-party agency to ensure compliance and continuous improvement. The Directors review these areas periodically through reports and presentations made at the Board Meetings.

The Company actively engages employees in SHE (Safety, Health & Environment) initiatives. Employees are continuously made aware of hazards / risks associated with their job, and their knowledge and skills are updated through requisite training, toolbox talks, safety drills to meet any emergency. Medical check-ups and eco-friendly activities are conducted periodically. Regular safety trainings are conducted to promote awareness among all employees and stakeholders. Safe disposal of hazardous waste is ensured through recyclers/co-processors of hazardous waste. Effluent treatment plant and online monitoring systems have been installed for the treatment of trade and domestic effluents. The treated water is used for other processes such as landscaping and green belt maintenance while promoting water circularity. The Company has also proactively taken several initiatives to improve energy productivity and emission reduction such as installation of solar power plant, adoption of energy efficient equipment and awareness among employees to promote sensible use of energy resources across the organization.

The Company upholds ISO 9001:2015 (Quality Management System), IATF 16949:2016 (Automotive Quality Management System), ISO 27001:2022 (Information Security Management System), ISO 14001:2015 (Environmental Management System), ISO 45001:2018 (Occupational Health & Safety Management System) and ISO 50001:2018 (Energy Management System) certifications.

CORPORATE GOVERNANCE

Report on Corporate Governance together with the Certificate from M/s. A. Arora & Co., a proprietorship Company Secretaries firm, confirming compliance with corporate governance norms as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms a part of this report.

VIGIL MECHANISM /WHISTLE BLOWER POLICY

The Company has adopted a whistle blower policy to provide formal mechanism for the Directors, Employees and other stakeholders of the Company to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy or to report genuine concerns or grievances including instances of leak or suspected leaks of unpublished price sensitive information pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015. It provides for adequate safeguards against victimization of Directors, Employees and any other stakeholders who avails of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

The Company received eight (8) complaints during the year, which were duly investigated/under investigation.

Whistle Blower Policy of the Company is available on the Company's website at the web link:

<https://smlmahindra.com/IN/investors/policies/corporate-policies>

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to women at the workplace and prevent, and redress complaints of sexual harassment and matters connected or incidental thereto, with the objective of providing a safe working environment. The Company has Internal Complaint Committee(s) for its Plant, Corporate Office and other locations in accordance with the Act, to enquire into complaints and take appropriate action.

Your Company has not received any complaint of sexual harassment during the year.

RISK MANAGEMENT

The primary objective of risk management is to protect the Company against risks to the value of the business, its capital and its continuity. To achieve the objective and for better governance, your Company has formed a Risk Management Committee of the Board which is authorized to monitor and review risk management plan. The Committee is also empowered, inter alia, to review and recommend to the Board modifications to the Risk Management Policy.

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Framework of the Company includes identification of risks, including cyber security and related risks and also those which in the opinion of the Board may threaten the existence of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee of the Company at the beginning of the financial year 2025-26 was comprised of three Directors viz Ms. Atima Khanna (Independent Director) as Chairperson, Mr. Takahiro Jitoshō (Non-Executive Non-Independent Director) and Mr. Junya Yamanishi (Managing Director & CEO) as Members. Consequent to the resignation of Mr. Yamanishi and the appointment of Mr. Yasushi Nishikawa as Managing Director & CEO in his place, the Committee was also reconstituted w.e.f. 17th April, 2025 by inducting Mr. Nishikawa in place of Mr. Yamanishi.

Thereafter, with the change in the composition of the Board effective 1st August 2025, the CSR Committee was also reconstituted on the same day with Mr. Arun Kumar Malhotra (Independent Director) as Chairman, Mr. C.S. Verma (Independent Director) and Ms. Mahima Chugh (Non-Executive Non-Independent Director) as Members.

The Company's CSR policy has defined key thrust areas as - promoting healthcare and sanitation, supporting education of girl child and underprivileged children, sponsoring vocational education/ technical education, supporting deserving sportspersons, etc.

Further, the Board has adopted a revised CSR policy w.e.f. 1st April, 2026 which aligns with Mahindra Group's purpose to drive positive change in the lives of our communities. Under the new Policy, the Company will primarily focus its efforts within the constituencies of girl child, women, youth and environment.

Annual Report on CSR activities for the year ended 31st March, 2026 is attached as **Annexure E**.

SUSTAINABILITY INITIATIVE

Your Company is committed to embedding long-term environmental and social stewardship into its core operations, aligning with Mahindra Group's sustainability mandates for the adaptation to Renewable Energy (RE), Waste and Water circularity.

STATUTORY AUDITORS AND AUDITORS' REPORT

M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) (hereinafter WCC), were appointed as the Statutory Auditors of the Company, at its 36th Annual General Meeting held on 24th August, 2020 for a period of five (5) years.

On 1st August, 2025, the Company received resignation from WCC, wherein they communicated that consequent to the change in control from the erstwhile promoter Sumitomo Corporation to Mahindra & Mahindra Limited, they have found themselves in a position of conflict of interest with respect to the Company and, accordingly, resigned as Statutory Auditors of the Company with immediate effect. This resulted in a casual vacancy in the office of Statutory Auditors under Section 139 of the Companies Act, 2013.

Based on the recommendation of the Audit Committee, the Board, at its meeting held on 2nd August, 2025, appointed M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No.: 101248W/W-100022) (hereinafter B S R) as

Statutory Auditors of the Company to hold office w.e.f. 2nd August, 2025 until the conclusion of 41st AGM of the Company to fill the casual vacancy arising from resignation of WCC. Further, the Board, subject to the approval of the Members recommended the appointment of B S R as Statutory Auditors of the Company for a term of five (5) consecutive years from the conclusion of 41st AGM until the conclusion of 46th AGM of the Company. Taking note of the above, the Members of the Company at the Annual General Meeting held on 26th September, 2025 also approved the said appointments.

The Auditors' Report for the financial year 2025-26 forms part of this Annual Report and it does not contain any qualification, reservation or adverse remark or disclaimer.

SECRETARIAL AUDITOR

Pursuant to Regulation 24A and other applicable provisions of the Listing Regulations and applicable provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder, the Board, on the recommendation of its Audit Committee, approved and recommended to the Members the appointment of M/s A. Arora & Co., a proprietorship Company Secretaries firm (Certificate of Practice No. 993), having a Peer Review Certificate (2120/2022 valid up to 31.05.2027) as Secretarial Auditors of the Company for a term of five (5) consecutive years to hold office from FY 2025-26 to FY 2029-30. Subsequently, the Members of the Company at the Annual General Meeting held on 26th September, 2025 also approved the said appointment.

The Secretarial Audit Report is annexed to this Board's Report as **Annexure F** and it does not contain any qualification, reservation, adverse remark or disclaimer.

Further, pursuant to SEBI Circular dated 8th February 2019, as amended, read with regulation 24A of the Listing Regulations and Circulars issued by Stock Exchanges in this regard, M/s A. Arora & Co., Company Secretaries in practice (CP No. 993) has issued Annual Secretarial Compliance Report for FY 2025-26 and the same is available on the Company's website at the weblink -

<https://smlmahindra.com/IN/investors/corporate-governance-fillings/secretarial-compliance>.

COST RECORDS

There are no cost records which are prescribed under Section 148(1) of the Companies Act for any of the products manufactured / services rendered by the Company.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the web link – <https://smlmahindra.com/IN/investors/corporate-governance-fillings/annual-return>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loans, guarantees or made any investments during the year, which would be covered by Section 186 of the Companies Act, 2013.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year.

SHARE CAPITAL

There was no change in the Company's issued, subscribed and paid-up equity share capital during the year. Further, the Company has not issued any sweat equity shares or equity shares with differential rights during the year under review. There is no stock option scheme for the employees.

DEPOSITS

During the year, the Company has not accepted any deposit under Chapter V of the Companies Act, 2013.

SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS

To the best of our knowledge, the Company has not received any such orders from regulators, courts or tribunals or any other authority during the year, which may impact the going concern status of the Company or its operations in future.

OTHER CONFIRMATIONS

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016. Further, during the year under review, there was no one-time settlement with any Bank or Financial Institution.

SECRETARIAL STANDARDS

The Company has duly complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The required information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in the Companies Act, 2013 is attached as **Annexure G**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

Sustainability and responsible business practices are integral to our long-term value creation strategy.

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Business Responsibility & Sustainability Report for FY 2025-26 is attached as **Annexure H** and forms part of this Report.

ACKNOWLEDGMENTS

Your Directors express their grateful appreciation for the co-operation received from the concerned Government departments, banks, dealers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the employees of the Company at all level. The Board also expresses its deep gratitude to Sumitomo Corporation, Japan, erstwhile promoters of the Company, for their instrumental role in building a strong foundation and Isuzu Motors, Japan, erstwhile significant shareholder, for supporting the Company's growth trajectory.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

VINOD KUMAR SAHAY
Executive Chairman
(DIN: 07884268)

Place: Mumbai
Dated: 20th April, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY REVIEW

The domestic commercial vehicle (CV) industry witnessed a strong recovery in FY 2025-26, registering a growth of 12.6%, with total volumes reaching 10,79,871 vehicles, compared to 9,58,679 vehicles in FY 2024-25. This growth marks a significant turnaround from the marginal decline observed in the previous year and was driven by improved economic activity, continued high government spending on construction, mining, and road projects, Logistics & E-commerce growth, regulatory changes and stable financing conditions. The GST reduction from 28% to 18% in September 2025 gave a strong boost to India's commercial vehicle industry. Lower acquisition costs made trucks, buses, and light CVs more affordable, encouraging fleet expansion and new purchases by transporters. The reduction in GST helped to boost demand in the second half of FY 2025-26, where the industry recorded a growth of 20.3% as against 3.9% during first half of fiscal 2026.

The Medium & Heavy Commercial Vehicle (M&HCV) segment recorded robust growth of 12.9% in the domestic market, with volumes increasing to 4,22,998 vehicles from 3,74,798 vehicles in FY 2024-25. Within this segment, truck volumes grew by 15.7%, supported by improved freight availability, higher fleet utilization, and pick-up in core sectors such as construction, mining, and logistics. However, bus volumes remained largely stable, registering a marginal decline of 0.2%, indicating a high base effect despite sustained demand from public and institutional segments.

The Light Commercial Vehicle (LCV) segment also demonstrated strong momentum, growing by 12.5% to 6,56,873 vehicles, against 5,83,881 vehicles in the previous year. Growth in the LCV truck segment stood at 12.5%, driven by recovery in last-mile delivery demand and rural consumption. The LCV bus segment also grew by 12.4%, supported by increased mobility needs, steady demand for school and staff transportation, and replacement demand.

On the export front, the CV industry continued its growth, with total exports rising by 17.4% to 94,793 vehicles from 80,751 vehicles in FY 2024-25. This growth was supported by favorable trade agreements, geopolitical shifts in supply chain and the cost competitiveness of Indian offerings particularly in Africa, the Middle East, and neighboring South Asian countries such as Bangladesh and Nepal. However geopolitical conflicts in Q4 FY26 resulted in shipment cancellations and order deferrals due to logistics uncertainty, higher freight costs, and elevated payment risks.

The Company's sales volume reached 16,632 vehicles in FY 2025-26 (14,221 vehicles in FY 2024-25) – up 17%.

Segment	Domestic			Exports		
	2025-26	2024-25	% Change	2025-26	2024-25	% Change
M&HCVs						
Trucks	3,55,849	3,07,491	15.7	16,829	12,015	40.1
Buses	67,149	67,307	-0.2	16,874	11,241	50.1
Total M&HCVs-A	4,22,998	3,74,798	12.9	33,703	23,256	44.9
LCVs						
Trucks	5,95,276	5,29,074	12.5	56,434	52,606	7.3
Buses	61,597	54,807	12.4	4,656	4,889	-4.8
Total LCVs-B	6,56,873	5,83,881	12.5	61,090	57,495	6.3
Total (A+B)	1,079,871	9,58,679	12.6	94,793	80,751	17.4

Source: SIAM Report March 2026

2. INDUSTRY OUTLOOK

According to industry experts, the Indian Commercial Vehicle (CV) industry is expected to witness moderate growth in FY 2026-27. The CV Industry is facing headwinds due to rising input costs caused by West Asia crisis and global uncertainties around fuel and exports.

M&HCV truck category is projected to record moderate growth in FY 2026-27, supported by sustained infrastructure investments, mining activity, better freight availability and replacement demand. Stable freight rates and healthy fleet utilization should aid profitability and encourage purchase decisions. Continued government capital expenditure on roads, railways, and logistics parks will provide a strong foundation for demand.

Light commercial vehicles (LCVs) trucks are also expected to witness moderate growth in FY 2026-27, supported by last-mile delivery demand and the continued expansion of e-commerce. Urbanization, along with the rise of organized retail and logistics, will further sustain momentum. Financing costs remain a critical factor posing potential constraints on demand. The segment has benefited from GST rationalization, which improved affordability and ownership economics. Steady demand from small businesses and rural markets, aided by consumption recovery, will underpin growth.

Growth in the bus segment is likely to continue, supported by steady institutional demand from STUs, along with sustained demand in school, staff, and tourism transport, will support volumes. Government-backed electric bus programs and robust replacement demand will likely accelerate fleet modernization.

3. COMPANY PERFORMANCE

During FY 2025-26, the Company achieved a sales volume of 16,632 vehicles, compared to 14,221 in the previous year – an increase of 17%, with higher sales in both the segments i.e. Passenger and Cargo vehicles. A break up of sales volume is given below:

(Nos.)

	2025-26	2024-25
Passenger vehicles (buses)	11,220	10,006
Cargo vehicles (trucks)	5,412	4,215
Total	16,632	14,221

Total Income for FY 2025-26 is Rs. 2,846.2 crores against Rs.2,405.1 crores in the preceding year, as detailed below:

(Rs. in Crores)

	2025-26	2024-25
Sale of Vehicles	2,661.3	2,244.0
Sale of Spare Parts	157.6	134.7
Other operating income	19.0	20.3
Other income	8.3	6.1
Total Income	2,846.2	2,405.1

Material cost at 76.1% (75.8%) of total income was primarily impacted by product mix, and rising commodity prices during the year.

Employee costs at Rs. 227.6 crores (Rs. 206.3 crores) as a percentage to total income was lower at 8.0% (8.6%), mainly due to increase in sales revenue.

Marketing cost (including packing & freight, warranty, loss allowance for trade receivables and sales promotion) at Rs. 100.6 crores (Rs. 79.8 crores) is 3.5% (3.3%) of total income.

Other operating & administrative expenses at Rs. 64.4 crores (Rs. 56.2 crores) made up 2.3% (2.3%) of total income.

Depreciation charge stood at Rs. 52.0 crores (Rs. 48.4 crores).

Operating profit increased to Rs. 286.7 crores, representing 10.1% of total income, up from Rs. 240.6 crores (10.0% of total income) last year, owing to higher sales volumes and effective cost management.

Finance costs were at Rs. 20.7 crores (Rs. 29.9 crores) due to lower utilization and reduction in interest cost.

As a result of above, Profit before tax rose to Rs. 214.0 crores (7.5% of total income) against previous year's Rs. 162.4 Crores (6.8% of total income). Profit after tax was Rs. 159.8 crores (Rs. 121.7 crores), which translates to an earnings per share of Rs. 110.39 (Rs. 84.08).

Net worth of the Company as on 31st March, 2026 was Rs. 519.3 crores (Rs. 382.7 crores as on 31st March 2025) made up of equity component of Rs. 14.5 crores (Rs. 14.5 crores) and other equity of Rs. 504.8 crores (Rs. 368.2 crores).

Year-end short-term and long-term borrowings (term loans including current maturities) from banks stood at Rs. 216.3 crores (Rs. 225.0 crores) and Rs. 63.9 crores (Rs. 96.7 crores) respectively. Property, Plant & Equipment including Capital Work-in-progress, right of use assets, intangible assets under development and Intangible assets stood at Rs. 384.0 crores (Rs. 380.5 crores).

Inventories at the year-end stood at Rs. 660.7 crores, increased from last year's level of Rs. 578.0 crores, on account of higher stock of buses maintained to meet demand during peak school bus season (April-July). Year-end trade receivables were at Rs. 270.2 crores (Rs. 265.3 crores) and trade payables were Rs. 405.5 crores (Rs. 370.1 crores).

Cash & Bank Balances (including Fixed Deposits with Banks) were Rs. 20.7 crores (Rs. 19.8 crores).

KEY FINANCIAL RATIOS

Particulars	Year ended		
	31 March 2026	31 March 2025	Change %
(i) Debtors Turnover	10.60	11.05	- 4.1%
(ii) Inventory Turnover	3.50	3.15	11.2%
(iii) Interest Coverage Ratio	13.82	8.05	71.6%
(iv) Current Ratio	1.25	1.17	7.0%
(v) Debt Equity Ratio	0.54	0.84	- 35.8%
(vi) Operating Profit Margin (%)	10.10%	10.03%	0.7%
(vii) Net Profit Margin (%)	5.63%	5.07%	11.0%
(viii) Return on Net worth (%)	36.08%	35.98%	0.3%

Reason for variation of 25% or more in Key Financial Ratio:

Due to higher earnings before depreciation, finance costs and tax, the interest coverage ratio has improved.

With the reduction in short term debt and an increase in total equity on account of profit during the year, the Debt Equity ratio has improved compared to previous year.

4. INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company conducts its affairs within the framework of well-defined business plans, which provide appropriate guidance and direction to its employees. The Annual Budget for each fiscal year is formulated based on well-defined processes and is approved by the Board of Directors. Finance & Accounts function is adequately staffed by professionally qualified and experienced personnel.

The Company has an effective reporting and monitoring system, which is regularly reviewed at the meetings of the Audit Committee and the Board while considering quarterly business performance. Policies and procedures have been laid down to provide reasonable assurance that assets are safeguarded from risks of unauthorized use or disposition and that transactions are recorded and reported with propriety, accuracy and speed. These aspects of operations are regularly reviewed and verified by the Internal Auditors and the Statutory Auditors.

The Company has also laid down adequate internal controls for financial reporting. During the year, such controls were tested and no material weakness in their operating effectiveness was observed.

The Internal Auditor has carried out an audit based on the Internal Audit Plan, as approved by the Audit Committee which also covers testing of established internal controls and standard operating procedures. Significant observations of the Auditors are presented to the Audit Committee for its consideration and guidance.

The use of SAP ERP system also helps to strengthen the controls. It also has feature of recording an audit trail of each and every transaction, creating an edit log of each change made in books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

5. HUMAN RESOURCES

The Company is committed to attract top talent, fostering an engaging workplace, retaining high performers, and strengthening organizational commitment among employees. Raising employees' involvement in the decision-making process and grooming them for leadership positions has been an ongoing process. Industrial relations and the work atmosphere remained cordial throughout the year, with sustained communication and engagement with the workforce through various forums. Employee strength (on-rolls) as of 31st March, 2026, was 1063 (990).

6. OPPORTUNITIES AND THREATS

The long-term outlook for the Indian commercial vehicle industry remains strong and resilient. Continued government investment in infrastructure across roads, highways, railways, and urban development, additionally increase in mining activities are likely to support volume expansion in the coming years.

Key projects such as Bharatmala Pariyojana, Sagarmala Programme, and the Dedicated Freight Corridor (enhancing freight efficiency), along with the PM Gati Shakti National Master Plan, Smart Cities Mission (driving urban construction activity), and the UDAN Scheme (improving regional connectivity and cargo movement), are already translating into higher freight movement and transport demand, thereby creating new opportunities across both M&HCV and LCV segments.

The government is focusing on commercial vehicle demand through heavy infrastructure investments in roads, railways, and logistics parks. Public transport initiatives, including bulk procurement of buses by state transport undertakings, are driving volumes. Policies supporting electric vehicle adoption, especially e-buses and LCVs, are accelerating fleet modernization. GST rationalization and financing support further enhance affordability, positioning CVs as a key enabler of India's growth story.

The bus segment in India is expected to witness sustained growth supported by urbanization and rising public transport needs. Government investments in smart cities and urban mobility programs will expand city bus fleets. Intercity travel demand will also rise. Government policies on emission norms and the scrappage scheme are encouraging replacement of older buses with cleaner, more efficient models. Rising awareness of safety and environmental concerns is pushing institutions to adopt modern buses with advanced features. Overall, this segment will see steady growth, driven by fleet modernization, regulatory compliance, and full scale educational activity.

The Company sees good opportunities in special application vehicles such as GS ambulances, dual-cabin trucks designed for specialized applications for state departments (including electricity boards and municipal corporations), and riot control vehicles, along with four-wheel-drive transport vehicles (troop carriers and trucks) for defence and paramilitary forces, including state police.

Exports to the neighboring countries like Bangladesh, Nepal, Ghana and Bhutan is expected to improve the Company's export business. Expanding trade ties with regions like Africa, ASEAN, and the Middle East are enhancing market accessibility. In line with this, the Company has started exports to African countries including Angola, Gabon, Senegal, Guinea, and Ivory Coast. Further, efforts are underway to tap additional high potential markets with rising demand for commercial vehicles.

The Company is gearing up to seize the electric mobility opportunities through focused product development and strategic readiness. Its Electric Bus, showcased at Auto Expo 2025, set for rollout in the coming months.

The ongoing conflict in West Asia presents challenges for the Indian commercial vehicle industry. Volatility in commodity prices, particularly crude oil, is likely to increase operating costs. Additionally, geopolitical tensions may disrupt supply chains, leading to delays and material shortages, thereby impacting production schedules and driving up costs. The resulting inflationary pressures could further dampen demand for commercial vehicles, affecting overall industry growth.

7. **BUSINESS RISKS AND CONCERNS**

Demand for commercial vehicles remains highly cyclical and closely aligned with the overall macroeconomic environment, including GDP growth, infrastructure spending, freight movement, interest rates, fuel and commodity prices, and evolving tax and emission regulations.

In recent years, the CV industry has undergone multiple regulatory changes, leading to significant capital expenditure and product redesign. The implementation of BS6 IOBD2 norms India and Electronic Stability Control (ESC) in FY 2023, followed by Fire Alarm and Protection System FAPS in FY 2024 for school buses, has substantially increased production costs due to design modifications, additional components, and technology upgrades. Further, the recent mandate for factory-fitted air-conditioning (AC) units in truck cabins has added to cost pressures, while aiming to improve driver comfort, safety, and overall operational efficiency.

In addition, introduction of Advanced Driver Assistance Systems (ADAS) requirements in near future has further raised compliance costs, as manufacturers must integrate sensors, cameras, and software to enhance road safety and align with global standards. Collectively, these reforms are reshaping the CV sector, balancing higher costs with long-term gains in safety, sustainability, and driver welfare.

Further, frequent regulatory changes in the CV industry have required ongoing product redesign, structural modifications, and upgrades to manufacturing processes, significantly increasing cost pressures for OEMs. Compliance with evolving emission norms, enhanced safety requirements, and clean mobility mandates has further driven up input cost, which are challenging to pass on in highly price-sensitive markets. This may lead to deferred purchase decisions and extended replacement cycles, impacting demand momentum. While these regulations are critical for advancing sustainability, safety, and efficiency, their cumulative impact poses near-to medium-term challenges to demand stability, margins, and overall industry growth.

An emerging challenge for the CV industry is the shift toward electric mobility and sustainability practices. While this transition offers significant long-term opportunities, it also brings hurdles such as heavy R&D requirements, advancements in battery technology, high upfront costs, limited charging infrastructure, and skill shortages in EV servicing and maintenance.

Ongoing geopolitical tensions in West Asia have triggered volatility in global fuel prices, significantly raising logistics and transportation costs for the Indian commercial vehicle sector since late February 2026. Concurrent supply chain disruptions-such as shipping delays, route diversions, and shortages of key inputs including crude oil, LNG, aluminium, and semiconductors-have further increased freight rates, extended timelines, and elevated manufacturing costs, thereby pressuring fleet profitability.

In response, the Company has taken targeted measures to mitigate these challenges. To ensure immediate production stability, it has directed suppliers to build inventories of key raw materials and has realigned its supply chain based on the availability of fuel and electric-powered facilities. To protect margins, it has implemented calibrated price increases, tightened cost controls, and optimized product mix. Additionally, the Company is conserving liquidity through disciplined cash flow management, reduction in dealer credit cycles, and rationalization of non-essential capital expenditure.

Further, the Company will continue to focus on product development and upgradation, while driving innovative and cost-effective technological solutions across its operations. It is placing emphasis on low-cost automation to improve efficiency, strengthening after-sales service to enhance customer satisfaction, and engaging customers through targeted initiatives. At the same time, the Company is reforming its distribution network to improve market reach and implementing rigorous cost optimization measures. These efforts are designed to ensure competitiveness, resilience, and sustainable growth in a dynamic industry environment.

The Risk Management Committee of the Board actively monitors these evolving risks and regularly evaluates the Company's risk mitigation framework to ensure readiness for current and emerging challenges in the business environment.

8. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company follows principles of good corporate governance, disclosure and transparency, giving due attention to core values and ethics. It considers itself the custodian and trustee of all its stakeholders. It seeks corporate excellence by offering quality vehicles and service to customers, fostering team spirit amongst employees through their continuous involvement and participation in decision making processes, and placing high emphasis on their integrity and commitment to the Company.

II. BOARD OF DIRECTORS

a) Composition of the Board

The composition of the Board of Directors ("Board") of your Company as on 31st March, 2026 is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Chairman of your Company is a Whole-time Director designated as Executive Chairman and number of Independent Directors is half of the total number of Directors, including a woman director. The Executive Director & Chief Executive Officer is the other Whole-time Director of the Company. Accordingly, out of total seven Directors, two are Executive Directors and five are Non-Executive Directors comprising four Independent and one Non-Independent, including two women Directors. Two Executive Directors - the Executive Chairman and Executive Director & Chief Executive Officer - and one Non-Executive Director Non-Independent Director are from the Promoter Group.

The Board of the Company represents well-balanced combination of highly experienced, distinguished, professional individuals who bring a diverse range of backgrounds and expertise. None of the Directors of your Company are inter-se related to each other.

Prior to 1st August, 2025, when the Board of the Company was reconstituted, it was comprised of three Non-Executive Independent Directors, including the Chairman and a woman Director, four Non-Executive Non-Independent and one Managing Director & CEO. Thereafter, pursuant to the Share Purchase Agreements executed on 26th April, 2025 between Sumitomo Corporation, Japan (erstwhile Promoter) and Isuzu Motors Limited, Japan (erstwhile public shareholder) with Mahindra & Mahindra Limited (M&M) and upon the transfer of their respective shareholding to M&M, the nominee Directors representing Sumitomo Corporation and Isuzu Motors resigned from the Board with effect from the close of 1st August 2025. Further, consequent to the change in control of the Company, Ms. Atima Khanna and Mr. Sanjeev Mehan, Independent Directors of the Company, also resigned effective from the close of 1st August, 2025.

Consequently, the Board of the Company was reconstituted w.e.f. 1st August, 2025 as detailed below:

- Mr. Vinod Kumar Sahay was appointed as Whole-time Director, designated as "Executive Director", not liable to retire by rotation. Subsequently, with effect from 3rd August 2025, he was appointed as Chairman of the Company, designated as Executive Chairman, in place of Mr. C. S. Verma, who continues to serve on the Board as an Independent Director.
- Dr. Venkataraman Srinivas was appointed as Whole-time Director of the Company designated as "Executive Director and Chief Executive Officer", liable to retire by rotation.
- Ms. Mahima Chugh as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.
- Mr. Ravi Venkatraman, Mr. Arun Kumar Malhotra and Ms. Smita Mankad, Non-Executive as Independent Directors, not liable to retire by rotation.

All Independent Directors were appointed in accordance with the Companies Act, 2013 and Listing Regulations. The terms and conditions of appointment of Independent Directors are uploaded on the website of the Company and can be accessed from the weblink - <https://smlmahindra.com/IN/investors/board/board-of-directors>. All the Independent Directors have declared to the Company that they meet the criteria of 'independence' set out in the Listing Regulations and the Companies Act, 2013. The Board of Directors, based on the declarations received from the Independent Directors, have verified the veracity of such disclosures and confirms that the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management of the Company.

The Board periodically reviews and approves overall strategy, gives guidelines and directions to and oversees the functioning of the Management to ensure that the objectives of the Company are met and its core values sustained.

b) Board Procedure and Meetings of the Board

Annual calendar of Board meetings is agreed at the beginning of the year.

Detailed agenda is sent to each Director / Committee Member prior to a meeting, including, as appropriate, the operating and financial performance statements of the Company. The Board reviews strategy and business plans, the efficacy of risk management framework, annual operating and capital expenditure budgets, investment and exposure limits, quarterly / half-yearly / annual operating performance and financial results, compliance reports of the laws applicable to the Company and minutes of meetings of the Committees of the Board and other significant matters.

Information on Meetings, Attendance and Membership

During the year, nine (9) Board Meetings were held on 26th April, 2025, 30th May, 2025, 22nd July, 2025, 1st August, 2025, 2nd August, 2025, 19th August, 2025, 18th October, 2025, 16th January, 2026 and 23rd March, 2026. Further, during the year, the Board also unanimously passed three resolutions by circulation dated 1st July, 2025, 25th July, 2025 and 28th July, 2025.

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

i. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on 31st March, 2026 are given below:

Name of Director (DIN)	Category	Board Meetings 2025-26		Attendance at the AGM held on 26.09.2025	Directorships in public Companies \$ excluding SML Mahindra Limited (as on 31.03.2026)	No. of Committee Positions in Public Companies @ including SML Mahindra Limited (as on 31.03.2026)	
		Meetings held during the tenure of the Director	Board Meetings Attended by the Director			Chairman	Member
Mr. Vinod Kumar Sahay^ (07884268)	Executive Non Independent - Executive Chairman	6	6	Yes	3	-	1
Dr. Venkataraman Srinivas* (11163042)	Executive Non-Independent - Executive Director & CEO	6	6	Yes	-	-	-
Mr. Chandra Shekhar Verma# (00121756)	Non Executive Independent	9	9	Yes	5	4	5
Mr. Ravi Venkatraman* (00307328)	Non Executive Independent	6	6	Yes	7	5	9
Mr. Arun Kumar Malhotra* (00132951)	Non-Executive Independent	6	6	Yes	1	-	5
Ms. Smita Mankad* (02009838)	Non Executive Independent	6	5	Yes	7	3	10
Ms. Mahima Chugh* (07448152)	Non-Executive-Non-Independent	6	4	Yes	-	-	1
Ms. Atima Khanna (07145114) +	Non-Executive Independent	4	4	NA	-	-	-
Mr. Sanjeev Mehan (00224016) +	Non-Executive Independent	4	4	NA	-	-	-
Mr. Ryusuke Miyake (10569281) +	Non-Executive Non-Independent	4	4	NA	-	-	-

Name of Director (DIN)	Category	Board Meetings 2025-26		Attendance at the AGM held on 26.09.2025	Directorships in public Companies \$ excluding SML Mahindra Limited (as on 31.03.2026)	No. of Committee Positions in Public Companies @ including SML Mahindra Limited (as on 31.03.2026)	
		Meetings held during the tenure of the Director	Board Meetings Attended by the Director			Chairman	Member
Mr. Takahiro Jitsho (10551351) +	Non-Executive Non-Independent	4	4	NA	-	-	-
Mr. Takashi Sakuma (09113520) +	Non-Executive Non-Independent	4	4	NA	-	-	-
Mr. Tomoyuki Yamaguchi+ (10733078)	Non-Executive Non-Independent	4	3	NA	-	-	-
Mr. Junya Yamanishi (09174162)++	Executive Non-Independent (MD & CEO)	-	-	NA	-	-	-
Mr. Yasushi Nishikawa (11027072)^	Executive Non-Independent (MD & CEO)	4	4	NA	-	-	-

^ appointed Executive Director w.e.f. 1st August, 2025 and Executive Chairman w.e.f. 3rd August, 2025

* appointed w.e.f. 1st August, 2025

ceased to be the Chairman of the Company w.e.f. 3rd August, 2025 and continues as Non-Executive Independent Director

+ ceased w.e.f. the conclusion of the Board Meeting held on 01.08.2025

++ upto 16.04.2025

^^ appointed w.e.f. 17.04.2025 and ceased w.e.f. the conclusion of the Board Meeting held on 01.08.2025

\$ excludes Directorships in Private, Associates, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Companies Act, 2013

@ only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for Committee positions.

- None of the Directors is a member of more than 10 committees and chairman of more than 5 committees (as specified in the Listing Regulations), across all the Public Companies in which he is a Director.
- The Senior Management personnel have made disclosures to the Board confirming that there is no material, financial and/or commercial transactions between them and the Company which would have potential conflict of interest with the Company at large.
- As on 31st March, 2026, none of the Directors is shareholder of the Company.
- None of the Directors acts an Independent Director in more than 7 listed Companies or 3 listed Companies in case he/she serves as a whole time Director in any listed Company.
- None of the Directors of the Company are inter-se related to each other.

ii. Details of Directors holding Directorship in Listed Entities including SML Mahindra Limited and the category of their Directorship as on 31st March, 2026:

Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Vinod Kumar Sahay (07884268)	SML Mahindra Limited	Executive Chairman
Dr. Venkataraman Srinivas (11163042)	SML Mahindra Limited	Executive Director & CEO

Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Chandra Shekhar Verma (00121756)	<ul style="list-style-type: none"> • SML Mahindra Limited • IKIO Technologies Limited • Multi Commodity Exchange of India Limited • Shyam Metalics and Energy Limited • Welspun Corp Limited 	<ul style="list-style-type: none"> • Independent Director • Independent Director • Independent Director • Independent Director • Independent Director
Mr. Ravi Venkatraman (00307328)	<ul style="list-style-type: none"> • SML Mahindra Limited • Praxis Home Retail Limited • SBFC Finance Limited 	<ul style="list-style-type: none"> • Independent Director • Independent Director • Independent Director
Mr. Arun Kumar Malhotra (00132951)	<ul style="list-style-type: none"> • SML Mahindra Limited • Lumax Auto Technologies Limited 	<ul style="list-style-type: none"> • Independent Director • Independent Director
Ms. Smita Mankad (02009838)	<ul style="list-style-type: none"> • SML Mahindra Limited • Bajaj Holdings & Investment Limited • Subros Limited • Swaraj Engines Limited 	<ul style="list-style-type: none"> • Independent Director • Independent Director • Independent Director • Independent Director
Ms. Mahima Chugh (07448152)	SML Mahindra Limited	Non-Executive Non-Independent Director

c) Familiarization Programme for Independent Directors

The familiarization programme for Independent Directors can be accessed from the website of the Company at the web link: <https://smlmahindra.com/IN/investors>

d) Code of Conduct

The Board has laid down a well-defined Code of Conduct (the "Code") to be followed by the Directors and Employees of the Company. The duties of independent Directors, as specified under the Companies Act, 2013, have been incorporated into the code. The Code is available on the website of the Company <https://smlmahindra.com/IN/investors/policies/corporate-policies>.

In accordance with the listing regulations, all Directors and Senior Management personnel have affirmed compliance with this Code. A declaration signed by the Executive Director & CEO to this effect forms part of this report.

e) Separate Meeting of Independent Directors

Two separate meeting of Independent Directors were held on 16th January, 2026 and 24th March 2026, in accordance with the Companies Act and Listing Regulations, to review performance of non-independent Directors, the Chairman and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management and the Board. All Independent Directors attended the meetings.

f) Skills / Expertise / Competencies of the Board of Directors

The Board of Directors of the Company brings a vast range of skills and experience from various fields, functions and sectors, which enhances the governance framework of the Company and the Board's decision-making process. The Board has identified Company's business & Industry overview, Business Strategy & Planning, Sales & Marketing exposure, Financial Experience, Risk Management and Governance & Regulatory oversight as the key skills/expertise/ competencies for the effective functioning of the Company and the same are currently available with the Board.

Sr. no.	Name of Director	Expertise / Skill
1	Mr. Vinod Kumar Sahay	General Management, Business Strategy, Procurement & Supply chain Management, Sales & Marketing and Corporate Governance
2	Dr. Venkataraman Srinivas	General Management, Business Strategy, Product Design & Development, Automotive Industry/Engineering Manufacturing Planning and Supply Chain Management
3	Mr. Chandra Shekhar Verma	Corporate Law & Finance, General Management, Human Resources Development, Legal, Marketing Management - Industrial, Materials Management and Project Management
4	Mr. Ravi Venkatraman	Finance, Legal & Compliance, Strategy, Investors Relationship, Corporate Governance and Risk Management
5	Mr. Arun Kumar Malhotra	General Management, Business Strategy, Automotive Business, Risk Management, Finance & Accounting and Sales & Marketing
6	Ms. Smita Mankad	General Management, Corporate Governance, Sales & Marketing, System Audits and Social Innovation
7	Ms. Mahima Chugh	Business Strategy, Mergers & Acquisitions, Risk Management, Digital Transformation and Consumer Behaviour

g) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its committees after seeking input from all the Directors and members of relevant Committees. The Board has also carried out performance evaluation of each Director based on the evaluation carried out by its Nomination and Remuneration Committee (NRC).

The criteria for performance evaluation were set out by the NRC and adopted by the Board. These included composition and structure of the Board and its Committees, effectiveness of the committees, knowledge of the Company's operations by the members, their participation at meetings, level of contribution in assessing and improving the performance of the Company and interactions amongst themselves and with senior management. Adherence to the Code of Conduct of the Company, fiduciary and statutory obligations, continuing maintenance of independence by Independent Directors, etc. were also a part of the performance evaluation.

The Board was satisfied with its composition and its diversified nature and affirmed that all Directors upheld the highest ethical standards and that the Board, as a whole, as well as its Members individually and the Committees of the Board, continued to demonstrate a strong commitment to good governance and provided appropriate guidance and constructive input to ensure continuous improvement in the Company's processes and procedures.

A separate meeting of Independent Directors was held during the year to review the performance of non-independent Directors, the performance of the Board as a whole and the performance of the Chairman of the Company. The Independent Directors noted that the performance across all areas was satisfactory.

III. COMMITTEES OF THE BOARD

The Company has five (5) sub-committees of the Board, namely - Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee.

a) Audit Committee

As on 31st March, 2026, Audit Committee comprised of Mr. Ravi Venkatraman - Non-Executive Independent Director as Chairman, one Non-Executive Independent Director and one Executive Non-Independent Director as Members.

Members of Audit Committee possess vast experience in and knowledge of finance, accounting and corporate

affairs. During the financial year under review, ten (10) meetings of Audit Committee were held on 25th May, 2025, 29th May, 2025, 6th July, 2025, 21st July, 2025, 1st August, 2025, 2nd August, 2025, 19th August, 2025, 18th October, 2025, 16th January, 2026 and 23rd March, 2026. During the year, the Audit Committee passed two resolutions by circulation dated 18th April, 2025 and 9th May, 2025 with the consent of all the Members. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 26th September, 2025.

The Committee also met on 20th April, 2026, prior to the finalization of the Accounts for FY 2025-26.

The Composition of Audit Committee and the details of meetings attended by the members during the year are given below:

Name of the Member	No. of Meetings held during the tenure of the Director	No. of meetings attended
Mr. Ravi Venkatraman, Chairman (w.e.f. 01.08.2025)	6	6
Mr. Arun Kumar Malhotra (w.e.f. 01.08.2025)	6	6
Mr. Vinod Kumar Sahay (w.e.f. 01.08.2025)	6	6
Mr. C. S. Verma, Chairman (upto 01.08.2025)	4	4
Ms. Atima Khanna (upto 01.08.2025)	4	4
Mr. Sanjeev Mehan (upto 01.08.2025)	4	4

The Audit Committee of the Company at the beginning of the financial year 2025-26 was comprised of 3 Independent Directors viz. Mr. C. S. Verma (Chairman), Ms. Atima Khanna and Mr. Sanjeev Mehan. With the change in the composition of the Board effective 1st August 2025, the Audit Committee, was reconstituted w.e.f. 1st August, 2025 with Mr. Ravi Venkatraman (Independent Director) as Chairman, Mr. Arun Kumar Malhotra (Independent Director) and Mr. Vinod Kumar Sahay (Executive Chairman) as Members.

Audit Committee meetings are usually attended by Chief Executive Officer, Chief Financial Officer, Company Secretary, Internal Auditor, and Statutory Auditors. Senior Management is also invited to participate in the deliberations as appropriate.

Terms of reference of the Audit Committee are as per the governing provisions of the Companies Act (Section 177) & the Listing Regulations (Part C of Schedule II) and inter alia includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Review with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the Board for approval.
- Review with the management, statutory and internal auditors, adequacy of the internal control systems;
- Evaluation of internal financial controls and risk management systems;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Discussion with statutory auditors the nature and scope of audit as well as post-audit areas of concern;
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Review adequacy of internal audit function including structure of the internal audit department, staffing and seniority of the official heading the function, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditor of any significant findings and follow up thereof;
- Review findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- Approval (or any subsequent modification) of transactions of the Company with related parties;
- Review functioning of the Whistle Blower mechanism;

b) Nomination and Remuneration Committee

As on 31st March, 2026, Nomination and Remuneration Committee comprised of Ms. Smita Mankad- Non-Executive Independent Director as Chairperson, two Non-Executive Independent Directors and one Executive Non-Independent Director as Members.

During the financial year under review, six (6) meetings of the Committee were held on 30th May, 2025, 1st August, 2025, 2nd August, 2025, 19th August, 2025, 16th January, 2026 and 23rd March, 2026.

The Composition of the Committee & the details of Meetings attended by the members during the year are given below:

Name of the Member	No. of Meetings held during the tenure of the Director	No. of meetings attended
Ms. Smita Mankad, Chairperson (w.e.f 01.08.2025)	4	4
Mr. Ravi Venkatraman (w.e.f. 01.08.2025)	4	4
Mr. C. S. Verma	6	6
Mr. Vinod Kumar Sahay (w.e.f. 01.08.2025)	4	4
Ms. Atima Khanna, Chairperson (up to 01.08.2025)	2	2
Mr. Ryusuke Miyake (up to 01.08.2025)	2	2

The Nomination and Remuneration Committee (NRC) of the Company at the beginning of the financial year 2025-26 was comprised of 3 Directors viz. Ms. Atima Khanna (Independent Director, Chairman), Mr. C. S. Verma (Independent Director) and Mr. Ryusuke Miyake (Non-Executive Non-Independent Director). With the change in the composition of the Board effective 1st August 2025, NRC, was also reconstituted w.e.f. 1st August, 2025 with Ms. Smita Mankad (Independent Director) as Chairperson, Mr. Ravi Venkatraman (Independent Director), Mr. C. S. Verma (Independent Director) and Mr. Vinod Kumar Sahay (Executive Chairman) as Members.

Terms of Reference of the Committee are as follows:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- Formulation of criteria for evaluation of director's performance including independent directors and the Board.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Consider extension or continuation of the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors.

The Nomination and Remuneration Committee also helps the Board on succession planning for the Directors and Senior Management.

Appointment and Remuneration Policies:

Based on the recommendations of its Nomination & Remuneration Committee, the Board has adopted the following policies:

- a) Policy on appointment of directors and senior management and succession planning for orderly succession to the board and the senior management.
- b) Policy for remuneration of the directors, key managerial personnel and other employees.

The above policies are part of this Annual Report and are also available on the website of the Company at the link - <https://smlmahindra.com/IN/investors/policies/corporate-policies>

The criteria for evaluation of the effectiveness of Board, Board Committees and the Individual Directors (including Independent Directors) is covered in the Policy on appointment of directors and senior management and succession planning for orderly succession to the board and the senior management.

c) Stakeholders Relationship Committee

As on 31st March, 2026, Stakeholders Relationship Committee comprised of Mr. C. S. Verma, Non-Executive Independent Director as Chairperson, one Non-Executive Independent Director and one Non-Executive Non-Independent Director as Members.

During the financial year under review, four (4) meetings of the Committee were held on 16th April, 2025, 12th June, 2025, 28th July, 2025 and 15th September, 2025.

The composition of the Committee and the details of meetings attended by the members during the year are given below:

Name of the Member	No. of meetings held during the tenure of the Director	No. of meetings
Mr. C. S. Verma, Chairman (w.e.f. 01.08.2025)	1	1
Mr. Arun Kumar Malhotra (w.e.f. 01.08.2025)	1	1
Ms. Mahima Chugh (w.e.f. 01.08.2025)	1	1
Mr. Sanjeev Mehan, Chairman (upto 01.08.2025)	3	3
Mr. Takashi Sakuma (upto 01.08.2025)	3	3
Mr. Junya Yamanishi (upto 16.04.2025)	1	1
Mr. Yasushi Nishikawa (From 17.04.2025 to 01.08.2025)	2	2

The Stakeholders Relationship Committee of the Company at the beginning of the financial year 2025-26 was comprised of 3 Directors viz. Mr. Sanjeev Mehan (Independent Director, Chairman), Mr. Takashi Sakuma (Non-Executive Non-Independent Director) and Mr. Junya Yamanishi (Managing Director & CEO). Effective 17th April, 2025, Mr. Yasushi Nishikawa was inducted as Member in place of Mr. Yamanishi, who resigned from the Board with effect from 16th April, 2025. Thereafter, with the change in the composition of the Board effective 1st August 2025, the Stakeholders Relationship Committee, was also reconstituted w.e.f. 1st August, 2025 with Mr. C. S. Verma (Independent Director) as Chairman, Mr. Arun Kumar Malhotra (Independent Director) and Ms. Mahima Chugh (Non-Executive Non-Independent Director) as Members.

Mr. Parvesh Madan, Company Secretary, is the Compliance Officer of the Company. Terms of Reference of the Committee are as follows:

- Consider and resolve the grievances of the security holders of the Company including complaints related to transfer.
- Transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports /statutory notices by the shareholders of the company.

- Transmission of shares, de-materialization of shares, issue of duplicate share certificates and such other functions as may be stipulated under the Companies Act, 2013 / SEBI Regulations.

During the year, the Company received 676 queries / requests from the shareholders which, inter-alia, included queries/ requests related to dematerialization of shares, up-dation of PAN & Bank mandate, non-receipt of dividend / annual reports, transfer of shares and revalidation of dividend, duplicate shares etc. which were duly attended to and the Company has furnished necessary documents/ information to the shareholders.

During the financial year under review, the Company received 24 complaints from the shareholders and all of them have been attended / resolved. No complaint was pending as on 31st March, 2026.

d) Risk Management Committee

As on 31st March, 2026, Risk Management Committee comprised of Mr. Ravi Venkatraman – Non-Executive Independent Director as Chairman, one Executive Director & CEO and one Non-Executive Non-Independent Director as Members.

During the financial year under review, two (2) meetings were held on 8th October, 2025 and 16th January, 2026.

The composition of the Risk Management Committee and the details of meetings attended by the members during the year are given below:

Name of the Member	No. of meetings held during the tenure of the Director	No. of meetings attended
Mr. Ravi Venkatraman, Chairman (w.e.f. 01.08.2025)	2	2
Dr. Venkataraman Srinivas (w.e.f. 01.08.2025)	2	2
Ms. Mahima Chugh (w.e.f. 01.08.2025)	2	2
Mr. C.S.Verma, Chairman (upto 01.08.2025)	-	-
Mr. Sanjeev Mehan (upto 01.08.2025)	-	-
Mr. Junya Yamanishi (upto 16.04.2025)	-	-
Mr. Yasushi Nishikawa (from 17.04.2025 to 01.08.2025)	-	-

The Risk Management Committee of the Company at the beginning of the financial year 2025-26 was comprised of 3 Directors viz. Mr. C. S. Verma (Independent Director, Chairman), Mr. Sanjeev Mehan (Independent Director) and Mr. Junya Yamanishi (Managing Director & CEO). Effective 17th April, 2025, Mr. Yasushi Nishikawa (Managing Director & CEO) was inducted as Member in place of Mr. Yamanishi, who resigned from the Board with effect from 16th April, 2025. Thereafter, with the change in the composition of the Board effective 1st August 2025, the Risk Management Committee was also reconstituted w.e.f. 1st August, 2025 with Mr. Ravi Venkatraman (Independent Director) as Chairman, Dr. Venkataraman Srinivas (Executive Director & CEO) and Ms. Mahima Chugh (Non-Executive Non-Independent Director) as Members.

The terms of reference of Risk Management Committee are as per the SEBI Listing Regulations and inter-alia includes:

- To oversee the efficacy of the risk management framework of the Company, including the mitigation measures taken by the management and appropriately report to the Board about the same.
- To formulate a detailed risk management policy covering a framework for identification of internal and external risks financial, operational, sectoral, sustainability, cyber security, etc., and Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

e) Corporate Social Responsibility Committee

As on 31st March, 2026, Corporate Social Responsibility Committee comprised of Mr. Arun Kumar Malhotra-Non-Executive Independent Director as Chairperson, one Non-Executive Independent Director and one Non-Executive Non-Independent Director as Members.

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. During the financial year under review, three (3) meetings were held on 29th May, 2025, 18th October, 2025 and 23rd March, 2026.

The composition of the CSR Committee and details of meetings attended by the members during the year are given below:

Name of the Member	No. of meetings held during the tenure of the Director	No. of meetings attended
Mr. Arun Kumar Malhotra, Chairman (w.e.f. 01.08.2025)	2	2
Mr. Chandra Shekhar Verma (w.e.f. 01.08.2025)	2	2
Ms. Mahima Chugh (w.e.f. 01.08.2025)	2	2
Ms. Atima Khanna, Chairperson (upto 01.08.2025)	1	1
Mr. Takahiro Jitoshō (upto 01.08.2025)	1	1
Mr. Junya Yamanishi (upto 16.04.2025)	-	-
Mr. Yasushi Nishikawa (from 17.04.2025 to 01.08.2025)	1	1

The Corporate Social Responsibility Committee of the Company at the beginning of the financial year 2025-26 was comprised of 3 Directors viz Ms. Atima Khanna (Independent Director, Chairperson), Mr. Takahiro Jitoshō (Non-Executive Non-Independent Director) and Mr. Junya Yamanishi (Managing Director & CEO). Effective 17th April, 2025, Mr. Yasushi Nishikawa (Managing Director & CEO) was inducted as Member in place of Mr. Yamanishi, who resigned from the Board with effect from the close of 16th April, 2025. Thereafter, with the change in the composition of the Board effective 1st August 2025, the CSR Committee was reconstituted with Mr. Arun Kumar Malhotra (Independent Director) as Chairman, Mr. C. S. Verma (Independent Director) and Ms. Mahima Chugh (Non-Executive Non-Independent Director) as Members.

Terms of reference of the Committee, inter alia, includes:

- Formulate and recommend to the Board, a CSR Policy covering the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Review the CSR activities of the Company from time to time and institute a transparent monitoring mechanism for CSR activities.
- The Policy is available on the Company's website at web link- <https://smlmahindra.com/IN/investors/policies/corporate-policies>

The annual report on CSR activities, for FY 2025-26, forms a part of Directors' Report.

IV. DIRECTORS SEEKING RE-APPOINTMENT:

Ms. Mahima Chugh, Non-Executive Non-Independent Director, shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The brief profile of Ms. Mahima Chugh is given in **Annexure A** attached to the Notice of AGM.

V. SENIOR MANAGEMENT PERSONNEL:

Particulars of Senior Management Personnel are provided here under:

Name	Designation	Tenure
Mr. Manjit Singh Ramta	ED-Works	Tenure completed on 31st May, 2025
Mr. Ritesh Agrawal	Chief Operating Officer	Appointed w.e.f. 2nd August, 2025
Mr. Rakesh Bhalla	Chief Financial Officer	Tenure completed on 30th September, 2025 (earlier tenure was up to 31st May 2026)
Mr. Pushkar Patwardhan	Chief Financial Officer (Designate)	From 2nd August, 2025 to 30th September, 2025
	Chief Financial Officer	Appointed w.e.f. 1st October, 2025
Mr. Anuj Kumar Sethi	Chief General Manager – Corporate Planning & IT	Tenure completed on 31st March, 2026
Mr. Prashant Kumar	Chief General Manager - Marketing	No change
Mr. Parvesh Madan	Company Secretary & General Manager- Finance	
Mr. Sandeep Chandna	Chief General Manager – Production	Appointed in Interim Capacity w.e.f. 1st June, 2025 and ceased as Senior Management Personnel w.e.f. 2nd August, 2025
Mr. Vikas Sharma	Chief General Manager - R&D	

VI. REMUNERATION OF DIRECTORS:

Remuneration Policy:

Based on the recommendations of its Nomination & Remuneration Committee, the Board has adopted Policy for remuneration of the directors, key managerial personnel and other employees.

The above Policy is part of this Annual Report and is also available on the website of the Company at the link - <https://smlmahindra.com/IN/investors/policies/corporate-policies>

Remuneration Details:

Remuneration paid to Whole-time Director(s) is decided by the Board on the recommendations of the Nomination and Remuneration Committee and approved by the shareholders at Annual General Meeting(s).

During the year, Independent Directors were paid sitting fee of Rs. 50,000 per meeting for attendance at Board Meetings and Rs. 30,000 per meeting for attendance at Committees Meetings and reimbursement of expenses incurred for attending such meetings.

Further, the shareholders had authorized the Board of Directors for payment of commission, a sum not exceeding one percent of the Net profits of the Company per annum, computed in accordance with the provisions of the Companies Act, 2013, to the Independent Directors of the Company.

Apart from the above stated, there have been no other material pecuniary relationships or transactions by the Company with Non-executive directors during the year.

Following are the details of the remuneration paid/payable to the Directors in FY 2025-26.

(a) Whole-time Directors

(Amount in Rs.)

Name of Director	Salary (Basic & DA)	Allowances (including HRA, Leave Travel & Special Allowances)	Commission payable for FY 2025-26	Contribution to Provident & other Funds	Other Perquisites	Stock Option	Total	Service Contract (Tenure)
Junya Yamanishi (Managing Director & CEO)	3,08,000	-	3,08,000	-	85,862	-	7,01,862	Resigned w.e.f. 16.04.2025
Yasushi Nishikawa (Managing Director & CEO)	20,02,000	-	20,02,000	-	4,05,936	-	44,09,936	From 17.04.2025 to 01.08.2025
Vinod Kumar Sahay (Executive Chairman)	80,00,000	-	-	-	-	-	80,00,000*	From 01.08.2025 to 31.07.2028
Dr. Venkataraman Srinivas (Executive Director & CEO)	93,33,336	-	-	-	-	-	93,33,336*	From 01.08.2025 to 31.07.2028

* Consolidated remuneration being charged by Mahindra & Mahindra Limited. Excludes ESOP granted by Mahindra & Mahindra Limited.

Note: As per the Company's current rules/policies, notice period applicable to senior management is three months and no severance fee is payable to any Director. Further, no ESOPs have been granted by the Company.

(b) Non-Executive Independent Directors

(Amount in Rs. Lacs)

Name of Director	Sitting Fees	Remuneration / Commission Payable for FY 2025-26
Mr. C. S. Verma (1st April 2025 – 31st March 2026)	10.20	25.08
Mr. Ravi Venkatraman (1st August 2025- 31st March 2026)	7.50	10.25
Mr. Arun Kumar Malhotra (1st August 2025- 31st March 2026)	6.60	8.06
Ms. Smita Mankad (1st August 2025- 31st March 2026)	4.30	9.52
Ms. Atima Khanna (1st April 2025 – 1st August 2025)	5.00	5.19
Mr. Sanjeev Mehan (1st April 2025 – 1st August 2025)	5.00	4.08

VII. GENERAL BODY MEETINGS

(i) Annual General Meetings:

Financial Year	Date	Time	Venue	Special Resolutions passed
2022-23	15.09.2023	11:30 AM	Through VC/OAVM (Deemed Venue - Village Asron, Distt. SBS Nagar (Nawanshahr) Punjab)	NIL
2023-24	20.09.2024	11:00 AM	Through VC/OAVM (Deemed Venue - Village Asron, Distt. SBS Nagar (Nawanshahr) Punjab)	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Chandra Shekhar Verma (DIN 00121756) as Independent Director 2. Appointment of Mr. Sanjeev Mehan (DIN 00224016) as Independent Director
2024-25	26.09.2025	04:00 PM	Through VC/OAVM (Deemed Venue - Village Asron, Distt. SBS Nagar (Nawanshahr) Punjab)	<ol style="list-style-type: none"> 1. Appointment of Mr. Vinod Kumar Sahay as Whole-time Director of the Company designated as "Executive Director" and re-designated as "Executive Chairman" 2. Appointment of Dr. Venkataraman Srinivas as Whole-time Director of the Company designated as "Executive Director and Chief Executive Officer" 3. Appointment of Mr. Ravi Venkatraman as an Independent Director 4. Appointment of Mr. Arun Kumar Malhotra as an Independent Director 5. Appointment of Ms. Smita Mankad as an Independent Director 6. To approve change of name of the Company and consequent alteration in the Memorandum of Association and Articles of Association of the Company

(ii) Details of Postal Ballot(s) including procedure

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Company had issued a Postal Ballot Notice dated 11th June, 2025 to the shareholders, seeking their consent with respect to the appointment of Mr. Yasushi Nishikawa (DIN 11027072) as Director of the Company and Managing Director & Chief Executive Officer of the Company, who was appointed by the Board as Additional Director w.e.f. 17th April, 2025. The said Postal Ballot was concluded on 13th July, 2025 and the aforesaid resolution was duly passed by the shareholders and the result of the Postal Ballot was announced on 14th July, 2025.

In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules and general circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), the Company provided remote e-voting facility to all the shareholders of the Company. The Company engaged the services of National Securities Depository Limited ("NSDL") to facilitate e-voting to enable the shareholders to cast their votes electronically. The Board of Directors had appointed Mr. Kanwaljit Singh Thanewal, a Practicing Company Secretary, (Membership No: 5901; CP No. 5870) as the Scrutinizer for Postal Ballot process. The remote

e-voting period commenced on Saturday 14th June, 2025 and ended on at 5:00 P.M. (IST) on Sunday 13th July, 2025(both days inclusive).

The cut-off date, for the purpose of determining the number of shareholders was Tuesday, 10th June, 2025. The Scrutinizer, after the completion of scrutiny, submitted his report to Mr. Yasushi Nishikawa, MD & CEO who was duly authorised to accept, acknowledge and countersign the Scrutinizer's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

(iii) Extraordinary General Meeting:

No extraordinary general meeting was held during financial year 2025-26.

VIII. OTHER DISCLOSURES

(i) Transactions with related parties

The Company has adopted a policy to deal with related party transactions and during the year there were no material related party transactions made by the Company that would have required shareholders' approval. The Company has not entered into any transaction of material nature that may have any potential conflict with the interest of the Company. The details of the related party transactions as per Ind AS 24 'Related Parties Disclosures' are set out in note 36 to the Financial Statements.

The Company has Policy for determination of materiality for disclosure of events or information and the same is available on the Company's website at web link: <https://smlmahindra.com/IN/investors/policies/corporate-policies>

(ii) Details of non-compliance

There has neither been any non-compliance of any legal provision of applicable law nor any penalty, stricture imposed by the Stock Exchanges or SEBI or any other authorities, on any matters related to capital market during the last three years.

(iii) Whistle Blower Policy/Vigil Mechanism

The Company has adopted a whistle blower policy, to provide formal mechanism for the Directors, Employees and other Stakeholders of the Company to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or to report genuine concerns or grievances including instances of leaks or suspected leaks of unpublished price sensitive information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. It provides for adequate safeguards against the victimization of Employees and any other person who avails of the mechanism and accordingly provides for direct access to the Chairman of the Audit Committee.

During the financial year under review, eight (8) complaints were received, which were duly investigated/under investigation.

Whistle Blower Policy of the Company is available on the Company's website at the web link: <https://smlmahindra.com/IN/investors/policies/corporate-policies>

(iv) Code for prevention of Insider Trading Practices

The Company has instituted a comprehensive Code of Conduct for prevention of insider trading in compliance with SEBI (Prohibition of Insider Regulations), 2015 including amendments thereof. The Code lays down guidelines and procedures to be followed and disclosures to be made, by Designated Persons, while dealing with shares of the Company and cautioning all concerned of the consequences of violations.

(v) Disclosure in relation to recommendation made by any Committee which was not accepted by the Board

The Board accepted the recommendations of all its committees, wherever made, during the year.

(vi) Total fees for all services paid by the Company to the statutory Auditors

Total fee of Rs. 62.9 Lacs (including Out of Pocket expense of Rs. 2.9 lacs) for Financial Year 2025-26, was paid by the Company to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditor is a part .

(vii) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

During the year, no complaint was received.

(viii) Directors & Officers Liability Insurance (“D&O”)

The Company has in place the D&O Insurance for all its Directors (including Independent Directors) and Officers of the Company in line with Regulation 25(10) of the SEBI Listing Regulations.

(ix) Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Report from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder.

The Company has engaged the services of M/s A. Arora & Co., a proprietorship Company Secretaries firm, for providing this certification.

The said Secretarial Compliance Report for the year ended 31st March, 2026, will be submitted to the Stock Exchange(s) within stipulated time.

(x) Certificate from Practicing Company Secretary

All Directors have submitted a declaration to the Company stating that they are not debarred or disqualified by the Securities and Exchange Board of India (SEBI) / Ministry of Corporate Affairs (MCA) or any such statutory authority from being appointed or continuing as Directors of Companies. M/s A. Arora & Co., a proprietorship Company Secretaries firm, has submitted a certificate to this effect.

(xi) Accounting treatment

In preparation of the Financial Statements, the Company has followed the Indian Accounting Standards (Referred to as Ind AS) prescribed under Section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent applicable. The material accounting policy information is set out under Note 2 of the Financial Statements for the year ended 31st March, 2026.

(xii) Details of utilization of funds raised through preferential allotment or qualified institutions placement under Regulation 32 (7A)

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations during the financial year under review.

(xiii) Loans and advances in the nature of loans to firms/companies in which directors are interested

Nil

(xiv) Means of Communication

(a) Publication of results

Quarterly, half-yearly and annual financial results of the Company are published in English and one vernacular language newspaper having wide circulation viz., Financial Express, Indian Express and Ajjit.

(b) Website and News Releases

The Company's website <https://smlmahindra.com/IN> displays the information, prescribed to be made available on website of the Company under the Listing Regulations, which inter alia includes - details of business of the Company, terms and conditions of Independent directors, composition of Board committees, policies adopted by the Company, shareholding pattern, presentations made to the Analysts / Institutional investors, announcements / disclosures made by the Company, notices published in the newspapers, status of unclaimed dividend, Annual Reports, Quarterly and Annual Financial results, contact for investor grievances, etc.

(c) Stock Exchanges

The Company makes timely disclosures of necessary information to Stock Exchanges - BSE Limited and the National Stock Exchange of India Limited, where the Company's shares are listed, in terms of the Listing Regulations and other Rules and Regulations issued by SEBI, electronically through at their respective web-based portals - BSE Listing center and NEAPS (NSE Electronic Application Processing System).

(xv) Management Discussion and Analysis Report

Management Discussion and Analysis Report has been attached to Directors' Report.

(xvi) Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under Listing Regulations.

The Company has also complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' and Parts 'D' to 'G' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of the Listing Regulations in the respective places in this Report.

(xvii) CEO/CFO CERTIFICATION

As required under the Listing Regulations, the Executive Director & CEO and Chief Financial Officer (CFO) have certified to the Board regarding Annual Financial Statements for the year ended 31st March, 2026. A copy of the certificate was placed before the Board of Directors at their meeting held on 20th April, 2026 and forms part of this report.

(xviii) Adoption of discretionary requirements

i) Shareholder Rights

The Company regularly publishes its quarterly and annual results in Newspapers in Regional language and English language having wide circulation as required under the Listing Regulations. These results are also available on the Company's website <https://smlmahindra.com/IN>. The Annual Report containing Audited Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the Members and is also displayed on the Company's website <https://smlmahindra.com/IN>.

ii) Modified opinion(s) in Audit Report

The Company continues to adopt best practices to ensure regime of unqualified financial statements.

iii) Separate posts of Chairman and CEO

The post of the Chairman of the Board is separate from that of the CEO.

iv) Reporting of Internal Auditor

The Internal Auditor of the Company periodically reports to the Audit Committee.

(xix) Policy on determining Material Subsidiary

The Company has no subsidiary.

IX. INTIMATION OF THE AGREEMENTS, IF ANY, UNDER THE LISTING REGULATIONS

In terms of Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) read with clause 5A of Para A of Part A of Schedule III of the Regulations, Sumitomo Corporation, Japan (erstwhile Promoter of the Company) (Sumitomo) and Isuzu Motors Limited, Japan, (erstwhile Public Shareholder of the Company) (Isuzu), had entered into a Shareholders' Agreement on 25th November, 2011. The Company is not a party to the Shareholders' Agreement.

Pursuant to transfer of their respective equity stakes in the Company to Mahindra & Mahindra Limited, Sumitomo and Isuzu have terminated the aforesaid Shareholders' Agreement w.e.f. 1st August, 2025.

Further details are available at the following link:

https://smlmahindra.com/storage/uploads/finance_reports/corporate_announcements/1755169840-044-%20Termination%20of%20Shareholders%20Agreement.pdf

SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Date	:	21st July, 2026 (Tuesday)
Time	:	11:30 A.M. (IST)
Venue	:	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) (Deemed Venue for the Meeting: Registered office of the Company i.e Village Asron, Distt. Shahid Bhagat Singh Nagar, (Nawanshahr), Punjab-144533)

2. Calendar (tentative) for Financial Results

The Financial year covers the period from 1st April to 31st March

Quarter ending 30th June, 2026	:	2nd/3rd week of July, 2026
Quarter ending 30th Sep., 2026	:	2nd /3rd week of Oct, 2026
Quarter ending 31st Dec., 2026	:	2nd /3rd week of Jan, 2027
Year ending 31st March, 2027	:	2nd /3rd week of April, 2027

3. **Record Date** : 3rd July, 2026 (Friday)

4. **Dividend Payment date** : After 21st July, 2026

5. **Listing on Stock Exchanges** : **BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, 5th Floor, Plot no. C/1, G Block,
Bandra - Kurla Complex, Bandra (E), Mumbai - 400051

Listing fee for FY 2026-27 for both these stock exchanges will be paid within stipulated timelines.

6. **Stock Code** : **BSE - 505192**

NSE - SMLMAH

7. **CIN** : L50101PB1983PLC005516

8. Dematerialisation and Liquidity of Shares:

Trading in Equity shares of SML Mahindra Limited is permitted only in dematerialized form. The Company has joined National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to avail of this facility.

As on 31st March, 2026, 99.13% of the Company's shares were held in electronic form. International Securities Identifications Number: INE294B01019 (with NSDL and CDSL).

For Shares held in electronic form, all instructions regarding change of address, nomination, power of attorney etc., should be given directly to their Depository Participants and the Company will not be able to entertain any such requests directly from shareholders.

9. Transfer / Transmission System for physical shares:

SEBI effective from 1st April 2019, has barred physical transfer of shares of listed companies and mandated transfer only through demat. However, investors are not barred from holding shares in physical form. Accordingly, Members holding shares in physical form are requested to convert their holding(s) in dematerialized form. Further, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests, 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; shall be processed only in dematerialized form.

Total number of shares transferred during 2025-26 were 1450 (Previous Year 3623).

10. Transfer of unclaimed dividends to the Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Accordingly, the Company has transferred the unclaimed dividends for and up to the Financial Year ended 31st March 2018 to IEPF. During last year, the Company has transferred Rs. 3.29 lacs to IEPF being unclaimed / unpaid dividend for Financial Year ended 31st March, 2018. Further, amount of Unclaimed Dividend for Financial Year 2018-19 is due on 4th November, 2026 for deposit to the IEPF. The Company has uploaded the information of unclaimed / unpaid dividend lying with the Company as on 31st March, 2026 on the website of the Company <https://smlmahindra.com/IN>.

11. Transfer of shares to the Investor Education and Protection Fund (IEPF) relating to dividend which have remained unclaimed for seven consecutive years

Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account'). During FY 2025-26, the Company transferred 14949 equity shares in respect of FY 2017-18 to the IEPF Account after following the prescribed procedure.

Members who have not en-cashed their Dividends in respect of FY 2018-19 & onwards are requested to lodge their claims with the Company. In this regard, the Company will individually inform the concerned shareholders and will also publish a notice in the newspapers as per the IEPF Rules. The details of such shareholders along with the shares due for transfer will be available on the "Investors Section" of the website of the Company viz. <https://smlmahindra.com/IN>.

However, the shareholder can claim both unclaimed dividend amount and the shares transferred to IEPF from IEPF Authority by making an application in Form IEPF-5 online on www.iepf.gov.in and sending the physical copy of the same duly signed (as per registered specimen signature) along with requisite documents enumerated in the said Form IEPF-5 to the Company or to M/s MCS Share Transfer Agent Limited, Registrar and Transfer Agents of the Company for verification of the claim. Shareholder can file only one consolidated claim in a financial year as per the IEPF Rules.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at weblink- <https://smlmahindra.com/IN/investors>.

12 Registrar and Transfer Agents

M/s MCS Share Transfer Agent Limited
179-180, DSIDC Shed, 3rd Floor,
Okhla Industrial Area, Phase -1,
New Delhi – 110020,

Contact person : Mr. Ajay Dalal
Phone: 011- 41406149-51
Fax: 011-41709881
Email address: helpdeskdelhi@mcsregistrars.com

All communications regarding share transfers/transmissions, duplicate share certificates, dividends and change of address etc. may be addressed to the Registrar, M/s MCS Share Transfer Agent Limited or to the Company Secretary of the Company at SML Mahindra Limited, 1st Floor, T7 Tech Park C-119, Industrial Area, Phase-7, Sector 73, Mohali, SAS Nagar, Punjab – 160055.

13. Company Rating

During the year under review, ICRA Limited upgraded the Company's long-term rating for bank facilities from [ICRA] AA- to [ICRA] AA+ with a Stable outlook, while reaffirming the short-term rating for banking facilities at [ICRA] A1+.

14. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

15. Commodity Price Risks and Hedging Activities

The Company being a user of wide variety of commodities (directly or indirectly) is exposed to commodity price risk. The commodities such as steel & its derivatives - castings & forgings; rubber, plastics, etc. are either purchased directly or components are purchased from suppliers, who procure and process these commodities. The Company procures most of its commodities indirectly and, accordingly, the direct purchase value of commodities by the Company is lower. However, any changes in prices of commodities impact procurement cost of components.

The Company has a risk management framework for identifying, monitoring and mitigating such risks. Total Exposure of the Company to various commodities (Purchased directly):

Commodity Name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Steel (Sheet Metal)	Rs 7090 Lacs	10021 Ton	Nil	Nil	Nil	Nil	Nil
Aluminium	Rs 874 Lacs	257 Ton	Nil	Nil	Nil	Nil	Nil
Castings (Steel)	Rs 3824 Lacs	4230 Ton	Nil	Nil	Nil	Nil	Nil
Castings (Aluminum)	Rs 863 Lacs	271 Ton	Nil	Nil	Nil	Nil	Nil
Forging Steel	Rs 126 Lacs	106 Ton	Nil	Nil	Nil	Nil	Nil

Presently, the Commodity Price Risk is managed without any hedging.

16. Foreign exchange risk

Risk associated with foreign exchange transactions for the Company is not material. Particulars of the foreign currency exposures have been covered in Note 38 to Financial Statements.

17. Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account

As on 31st March 2026, no shares were lying under the Demat Suspense Account/Unclaimed Suspense Account.

18. Shareholding Pattern as on 31st March, 2026

Category	No. of Shareholders	Voting Strength %	No. of Shares held
Promoters	1	58.97	8533726
Alternate Investment Funds	8	1.44	208753
Bodies Corporate	256	1.40	202006
Foreign Portfolio Investors Category I	41	0.68	97978
Foreign Portfolio Investors Category II	4	0.09	12957
Investor Education and Protection Fund Authority	1	1.93	279262
Non Resident Indians (NRIs)	800	0.71	103288
Individuals/Others*	37957	34.78	5033676
TOTAL	39068	100.00	14471646

19. Distribution of Shareholding as on 31st March, 2026

Share Holding	No. of Shareholders	No. of Shares	%age of Share holding
Upto 500	38307	1532701	10.59
501 to 1000	382	285904	1.98
1001 to 2000	198	287051	1.98
2001 to 3000	59	146347	1.01
3001 to 4000	27	95609	0.66
4001 to 5000	24	109632	0.76
5001 to 10000	36	241546	1.67
Above 10000	35	11772856	81.35
TOTAL	39068	14471646	100.00

* includes total shareholding 18,15,639 shares (12.55%) : Navodya Enterprises (Acquirer) along with Person Acting in Concert (PAC) - SPV Traders, Anandam Enterprises, Sapna Gupta and Sachin Bansal.

20. Plant Location : SML Mahindra Limited

Registered Office & Works : Village Asron, Distt. Shahid Bhagat Singh Nagar, (Nawanshahr), Punjab - 144 533

21. Address for correspondence (for Investor queries etc.)

Registrar and Share Transfer Agents
M/s MCS Share Transfer Agent Limited
 Unit : SML Mahindra Limited
 179-180, DSIDC Shed, 3rd Floor,
 Okhla Industrial Area, Phase – 1,
 New Delhi – 110020
 Phone : 011-41406149
 Fax :011-41709881
 Email : helpdeskdelhi@mcsregistrars.com

Compliance Officer & Company Secretary
Mr. Parvesh Madan
 SML Mahindra Limited
 1st Floor, T7 Tech Park C-119,
 Industrial Area, Phase-7, Sector 73
 Mohali, SAS Nagar Punjab – 160055
 Phone: 0172-4155901
 Email : pmadan@smlmahindra.com
investors@smlmahindra.com

22. Website Address : <https://smlmahindra.com/IN>

ANNEXURE A TO DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy (“the policy”) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value Rs.10 each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

As in the past, subject to the provisions of the applicable law, the Company’s dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total dividend pay-out ratio of upto 40% of the annual standalone Profits after Tax (PAT) of the Company.

While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:

- **Internal Factors:**

- i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - a. Previous years and
 - b. Internal budgets,
- ii. Cash flow position of the Company,
- iii. Accumulated reserves,
- iv. Earnings stability,
- v. Future cash requirements for organic growth/expansion and/or for inorganic growth,
- vi. Brand acquisitions,
- vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
- viii. Deployment of funds in short term marketable investments,
- ix. Long term investments,
- x. Capital expenditure(s), and
- xi. The ratio of debt to equity (at net debt and gross debt level).

- **External Factors:**

- i. Business cycles,
- ii. Economic environment,
- iii. Cost of external financing,
- iv. Applicable taxes including tax on dividend,
- v. Industry outlook for the future years,

- vi. Inflation rate, and
- vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure for working capital,
- ii. Organic and/ or inorganic growth,
- iii. Investment in new business(es) and/ or additional investment in existing business(es),
- iv. Declaration of dividend,
- v. Capitalisation of shares,
- vi. Buy back of shares,
- vii. General corporate purposes, including contingencies,
- viii. Correcting the capital structure,
- ix. Any other permitted usage as per the Companies Act, 2013.

Information on dividends paid in the last 10 years is provided in the Annual Report.

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

The policy will be available on the Company's website and the link to the policy is:

<https://smlmahindra.com/IN/investors/policies/corporate-policies>

The link of this policy will also be disclosed in the Company's annual report.

ANNEXURE B TO DIRECTORS' REPORT

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“Associate company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

“Act” means Companies Act, 2013 and Rules framed thereunder;

“Board” means Board of Directors of the Company.

“Company” means SML Mahindra Limited.

“Committee(s)” means Committees of the Board for the time being in force.

“Employee” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“HR” means the Human Resource Department of the Company.

“Key Managerial Personnel” (KMP) refers to key managerial personnel as defined under the Act and includes:

- (i) Managing Director (MD) or Chief Executive Officer (CEO) or Manager or Whole Time Director (WTD)
- (ii) Chief Financial Officer (CFO);
- (iii) Company Secretary (CS); and
- (iv) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board.

“Nomination and Remuneration Committee” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Nominee Director” implies a Director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any government or any other person to represent its interests.

“Relative” implies anyone who is related to another if they are members of HUF; if they are husband and wife; or if one person is related to the other in such manner as may be prescribed under the Act. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely – Father (includes step-father), Mother (includes step-mother), Son (includes step-son), Son's wife, Daughter, Daughter's husband, Brother (includes stepbrother), Sister (includes step-sister).

“SEBI Listing Regulations” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments made to it from time to time.

As per the Act "Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

SEBI Listing Regulations define **“Senior Management”** as officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically

include the functional heads, by whatever name called and persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

In line with above, the Board has defined Senior Management to cover the following: -

- Functional Heads*
- Persons identified and designated as Key Managerial Personnel other than Board of Directors.

*Includes Functional Heads reporting to any Board Member but excludes Functional Heads whose function is already represented by a person forming part of “Senior Management”.

I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:
 1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Director for informed and balanced decision making.
 3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Act as well as SEBI Listing Regulations. The Company shall ensure that approval of shareholders for appointment or re- appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier or in such other manner as may be permitted under the applicable law.
- In addition to the above criteria, the NRC may refer the following:
 - 1) Policy on Board Membership Criteria– Schedule A
 - 2) The Board Diversity Policy – Schedule B
 - 3) Policy on Criteria for determining Independence of Directors (in case of appointment of Independent Directors) – Schedule C

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

VACANCY IN THE OFFICE OF DIRECTOR

Any vacancy in the office of a Director shall be filled by the Company at the earliest and not later than 3 months from the date such vacancy. However, if the Company becomes non-compliant with the required Board composition as per Regulation 17(1) of the Listing Regulations or with the required Committee composition as per Regulation 18(1), 19(1) or (2), 20(2) or (2A) and 21(2) or (3) due to expiration of term of office of any Director, then such vacancy shall be

filled-up not later than the date such office is vacated.

The above requirement with respect to filling up of vacancy in the office of a Director of the Company shall not apply in case the Company is compliant with the Board composition and Committee compositions as laid down under the Listing Regulations.

KEY MANAGERIAL PERSONNEL (KMPs)

The NRC shall recommend to the Board the appointment and removal of Key Managerial Personnel.

SENIOR MANAGEMENT PERSONNEL (SMPs)

The NRC may identify persons from the Senior Management team who are qualified to become directors in accordance with the criteria laid down above and Schedule A, B and C and recommend to the Board about their appointment and removal.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Executive Chairman based on the business need and the suitability of the candidate.

II. SUCCESSION PLANNING:

Purpose:

The Talent Management Policy sets out the approach to the development and management of talent in the Mahindra Group to ensure the implementation of the current and future strategic business plans of the Group.

Board:

The successors for the Independent Directors shall be identified by the NRC at least two quarters before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than three months from the date of such vacancy. The company shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors as an Independent Director is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. The appointment, re- appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution or in such other manner as may be permitted under the applicable law.

No independent director, who resigns from the Company, shall be appointed as an executive/ whole time director on the board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.

The successors for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit.

The NRC will accord due consideration for the expertise and other criteria required for the successor.

The Board may also decide not to fill the vacancy caused at its discretion.

Senior Management Personnel:

The succession planning process includes succession slates which are mapped for every senior as well as critical role. The succession slate is selected from the Hi Potential Talent identified by Talent Councils. There are formalized accelerator programs which groom this talent through a mix of the roles they get assigned to, exposure and training provided to them. This pool of talent is mapped to the opportunities at Senior levels. Where there is a gap seen, mapping of external talent is done proactively.

SCHEDULE A – POLICY ON CRITERIA FOR BOARD MEMBERSHIP

- The NRC works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and relevant experience in business.
- Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.
- In evaluating the suitability of individual Board members, the NRC considers many factors, including one or more skills such as Business experience, Global business / broad international exposure /emerging markets experience, financial experience and risk oversight, technology and innovation, Governance and Regulatory oversight, Sales and Marketing exposure possessed by the Director; and geographic, gender, age, and ethnic diversity.
- The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business and represent stakeholders' interests through the exercise of sound judgment, using its diversity of experience.
- In determining whether to recommend a Director for re-election, the NRC also considers the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board/Committees, and the results of the most recent evaluation.
- The Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings as well as the General Meetings of the Company. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with their responsibilities at the Company.

SCHEDULE B – THE BOARD DIVERSITY POLICY

1. PURPOSE

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Board.

2. SCOPE

This Policy is applicable to the Board of the Company.

3. POLICY STATEMENT

- The Company recognises and embraces the importance of diversity in its success and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. Considering the global footprint of the Company, it is essential that the Company has as diverse a Board as possible.
- A diverse Board will bring in different set of expertise and perspectives. The combination of Board having different skill set, regional and industry experience, varied cultural and geographical background, race, age and gender diversity will bring a variety of experience and viewpoints which will add to the strength of the Company.
- While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies. The NRC reviews and assesses Board composition on behalf of the Board and recommends appointments of new Directors to the Board.
- In reviewing and determining the Board composition, the NRC will consider the merit, skill, experience, age, gender, independence, knowledge and skill sets which the Board as a whole requires and other diversity of the Board. The NRC also oversees the conduct of annual review of Board effectiveness.

- i. In reviewing Board composition, the NRC will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.
- ii. In identifying suitable candidates for appointment to the Board, the NRC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- iii. As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the NRC will consider the balance of skill, experience, age, gender, independence, knowledge and skill sets which the Board as a whole requires and other diversity of the Board, including how the Board works together as a unit, and other factors relevant to its effectiveness.

4. MONITORING AND REPORTING

The NRC will report annually, in the Corporate Governance section of the Annual Report of the Company, the process it employed in Board appointments.

5. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the NRC as and when required.

6. COMPLIANCE RESPONSIBILITY

The Compliance of this Policy shall be the responsibility of the NRC who shall have the power to ask for any information or clarifications from the management in this regard.

SCHEDULE C – POLICY ON CRITERIA FOR DETERMINING INDEPENDENCE OF DIRECTORS

1. PURPOSE

The purpose of this Policy is to define guidelines that will be used by the NRC /Board to assess the independence of Directors of the Company.

2. INDEPENDENCE GUIDELINES

An Independent Director will need to possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

A Director is considered independent if the Board makes an affirmative determination after a review of all relevant information. The criteria of Independence shall be as laid down in the Act and SEBI Listing Regulations.

The Board forms an opinion on the integrity, relevant expertise and experience of the proposed candidate considering the following criteria of independence as laid down in the Act and SEBI Listing Regulations and as amended from time to time:-

An independent director in relation to a company, means a non-executive director other than a managing director or a whole-time director or a nominee director—

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company or member of the promoter group of the Company;
(ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- c) who, apart from receiving director's remuneration, has or had no pecuniary relationship exceeding ten percent. of his total income or such amount as may be prescribed under the Act/SEBI Listing Regulations with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year;

- d) (i) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed under the Act/SEBI Listing Regulations, whichever is lower, during the three immediately preceding financial years or during the current financial year and who meets the other prescribed criteria;
- (ii) none of whose relatives—
- A. is holding any security of or interest in the Company, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year:
- Provided that the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two per cent of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
- B. is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed under the Act/SEBI Listing Regulations (i.e. fifty lakh rupees) during the three immediately preceding financial years or during the current financial year;
- C. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed under the Act/SEBI Listing Regulations (i.e. fifty lakh rupees) during the three immediately preceding financial years or during the current financial year; or
- D. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two percent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (A), (B) or (C);
- Provided that the pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.
- e) who, neither himself nor any of his relatives—
- (i) holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company or any company belonging to the promoter group of the Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- Provided that in case of a relative who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his employment during preceding three financial years.
- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
- (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two percent or more of the total voting power of the company; or

-
- (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipts or corpus from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or a lessee of the Company.
 - f) who is not less than 21 years of age.
 - g) who is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.

NRC will evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director will need to have the skills and capabilities identified in such description. NRC will also recommend the manner in which the person identified as an Independent Director meets such requirements.

For the purpose of identifying suitable candidates, the NRC may:

- a. use the services of an external agency(ies), if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

Further, an Independent Director, who resigns from the Company, shall not be appointed as an executive/ whole time director on the Board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an Independent Director of the Company.

The Board will also take into consideration any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact the ability of the proposed candidate to discharge his/her duties with an objective independent judgement and without any external influence.

In case of the appointment of a new Independent director or re-appointment of an Independent director the shareholders will be provided with the following information:

- A brief resume of the Independent Director;
- Nature of expertise in specific functional areas;
- Disclosure of relationships between Independent Director inter-se;
- 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;
- Shareholding in the company, including shareholding as a beneficial owner;
- The skills and capabilities required for the role and the manner in which the proposed candidate meets such requirements;

Such other matters as may be required under the applicable law.

EXPLANATIONS

Consecutive Terms: He/she shall be eligible for appointment as Independent Director after the expiration of three years of ceasing to be a Director on the Board of the Company provided that he/ she shall not during the said period of three years, be appointed in or associated with the Company in any other capacity, either directly or indirectly.

ANNEXURE C TO DIRECTORS' REPORT

POLICY FOR REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in SML Mahindra Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, Key Managerial Personnel and all employees. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

Non-Executive Including Independent Directors:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, payable to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other factors as the NRC may deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors:

The remuneration to Executive Chairman, Managing Director and Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, performance bonus, perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders' resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the NRC based on their performance.

Key Managerial Personnel (KMP):

The terms of remuneration of Chief Financial Officer (CFO) shall be determined by NRC from time to time after seeking inputs from Audit Committee in this regard. The terms of remuneration of the Company Secretary and such other officer, not more than one level below the directors, who is in whole time employment, designated by the Board as KMP shall be determined by the NRC from time to time. The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their qualifications, experience, roles and responsibilities. Pursuant to the provisions of Section 203 of the Act, the Board shall approve the remuneration at the time of their appointment.

Senior Management:

NRC shall recommend to the board, all remuneration, in whatever form, payable to Senior Management.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Employees:

We follow a differential approach in choosing the comparator basket for benchmarking, depending upon the level in the organization:

- a) For all employees from Operational to Executive Band, we benchmark with a set of comparators from the same industry.
- b) For Strategic band and above, we have a position-based approach and the comparator basket includes benchmarks from across relevant industries.

We have a CTC (Cost to Company) concept which includes a fixed component (Guaranteed Pay) and a variable component (Performance Pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality
- Longevity in grade

Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR, in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

ANNEXURE D TO DIRECTORS' REPORT

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(I) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year (2025-26)

- Mr. Vinod Kumar Sahay, Executive Chairman (w.e.f. 01.08.2025)	10.1 *
- Dr. Venkataraman Srinivas, ED & CEO (w.e.f. 01.08.2025)	11.8 *
- Mr. Junya Yamanishi, MD & CEO (01.04.2025 to 16.04.2025)	NA **
- Mr. Yasushi Nishikawa, MD & CEO (17.04.2025 to 01.08.2025)	NA **

* on annualized basis.

** not applicable as their cessation occurred during FY 2025-26.

(ii) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year (2025-26)

- Mr. Vinod Kumar Sahay, Executive Chairman (w.e.f. 01.08.2025)	NA ^
- Dr. Venkataraman Srinivas, ED & CEO (w.e.f. 01.08.2025)	NA ^
- Mr. Junya Yamanishi, MD & CEO (01.04.2025 to 16.04.2025)	NA ^^
- Mr. Yasushi Nishikawa, MD & CEO (17.04.2025 to 01.08.2025)	NA ^^
- Mr. Rakesh Bhalla, Chief Financial Officer (up to 30.09.2025)	NA ^^
- Mr. Pushkar Patwardhan, Chief Financial Officer (w.e.f. 01.10.2025)	NA ^
- Mr. Parvesh Madan, Company Secretary	9.7%

^ appointment w.e.f. 1st August, 2025, no increase happened post the said appointment during FY 2025-26.

^^ not applicable as their cessation occurred during FY 2025-26.

(iii) Percentage increase in the median remuneration of employees in the financial year (2025-26) 3.0%

(iv) Number of permanent employees on the rolls of the company 1063

(v) 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

- Average increase in remuneration of Managerial Personnel	9.5 %
- Average increase in remuneration of employees other than the Managerial Personnel	9.6 %

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company

The remuneration is as per the Nomination and Remuneration Policy of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

Note :

The Company has two Executive Directors designated as Executive Chairman and Executive Director & Chief Executive Officer. The Non-Executive Independent Directors are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the Board of Directors and Members. The details of their remuneration (sitting fees & commission) are provided in the Corporate Governance Report. The other Non-Executive Director is in the whole time employment with Mahindra & Mahindra Ltd. and is not drawing any remuneration from the Company.

ANNEXURE E TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

1. Brief outline on CSR Policy of the Company

The key thrust areas of Company's policy on CSR, adopted by the Board of Directors in adherence to Section 135 of the Companies Act, 2013, are - promoting healthcare and sanitation, supporting education of girls and underprivileged children; and sponsoring vocational and technical education, supporting deserving sportsperson etc.

2. Composition of CSR Committee (as on 31st March, 2026)

S.No.	Name of the Member	Designation / Nature of Directorship	No. of meetings held during the year 2025-26	No. of meetings attended during the year 2025-26
1	Mr. Arun Kumar Malhotra, Chairperson (w.e.f. 01.08.2025)	Non-Executive Independent	2	2
2	Mr. C. S. Verma (w.e.f. 01.08.2025)	Non-Executive Independent	2	2
3	Ms. Mahima Chugh (w.e.f. 01.08.2025)	Non-Executive Non-Independent	2	2
4	Ms. Atima Khanna, Chairperson (up to 01.08.2025)	Non-Executive Independent	1	1
5	Mr. Takahiro Jitoshō (up to 01.08.2025)	Non-Executive Non-Independent	1	1
6	Mr. Junya Yamanishi (upto 16.04.2025)	Managing Director & CEO	-	-
7	Mr. Yasushi Nishikawa (up to 01.08.2025)	Managing Director & CEO	1	1

CSR Committee at the beginning of the financial year 2025-26 was comprised of 3 Directors viz Ms. Atima Khanna (Independent Director) as Chairperson, Mr. Takahiro Jitoshō (Non-Executive Non-Independent Director) and Mr. Junya Yamanishi (Managing Director & CEO) as Members. Consequent to resignation of Mr. Yamanishi and appointment of Mr. Yasushi Nishikawa as MD&CEO in his place, the Committee was also reconstituted w.e.f. 17th April, 2025 by inducting Mr. Nishikawa in place of Mr. Yamanishi.

Thereafter, with the change in the composition of the Board effective 1st August 2025, the CSR Committee was also reconstituted on the same day with Mr. Arun Kumar Malhotra (Independent Director) as Chairman, Mr. C.S. Verma (Independent Director) and Ms. Mahima Chugh (Non-Executive Non-Independent Director) as Members.

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

- **Composition of CSR Committee:**

<https://smlmahindra.com/IN/investors/board/board-committees>

- **CSR Policy:**

<https://smlmahindra.com/IN/investors/policies/corporate-policies>

- **CSR Projects approved by the Board:**

<https://smlmahindra.com/IN/investors/csr/annual-action-plans>

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 : Not Applicable
5. a) Average net profit of the Company as per sub-section (5) of section 135 : Rs. 9607.91 Lakhs
- b) Two percent of average net profit of the Company as per sub-section (5) of section 135 : Rs. 192.20 Lakhs
- c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Not Applicable
- d) Amount required to be set off for the financial year, if any : Rs. 54.11 Lakhs*
- e) Total CSR obligation for the financial year [(b)+(c)-(d)] : Rs. 138.09 Lakhs

*Out of the total amount of Rs. 103.92 Lakhs available for set off from prior three financial years pursuant to section 135 of the Companies Act., 2013, Rs. 54.11 Lakhs (FY 2022-23 Rs. 19.79 lakhs and FY 2023-24 Rs. 34.32 lakhs) has been set off during FY 2025-26 and balance of Rs. 49.81 Lakhs pertaining to FY 2024-25 is being carried forward.

6. a) Amount spent on CSR project (both ongoing project and other than ongoing project) : Rs. 137.20 Lakhs
- b) Amount spent in administrative overheads : Rs. 1.32 Lakhs
- c) Amount spent on impact assessment, if applicable : Not Applicable
- d) Total amount spent for the financial year [(a)+(b)+ (c)] : Rs. 138.52 Lakhs
- e) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (in Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (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
Rs. 138.52 Lakhs	Nil		Nil		

- f) Excess amount for set off, if any: NA

Sl. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(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 Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs. Lakhs)	Balance amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs. Lakhs)	Amount spent in the Financial Year (in Rs. Lakhs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in Rs. Lakhs)	Deficiency, if any
					Amount (in Rs. Lakhs)	Date of transfer		
1.	FY 2022-23				NIL			
2.	FY 2023-24				NIL			
3.	FY 2024-25				NIL			

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

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 : Not Applicable

Arun Kumar Malhotra
Chairman, CSR Committee
 (DIN: 00132951)

Dr. Venkataraman Srinivas
Executive Director & CEO
 (DIN: 11163042)

Dated : 20th April, 2026

Place : Mumbai

ANNEXURE F TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

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

FORM No. MR-3

To,

The Members,

SML Mahindra Limited (*Formerly SML Isuzu Limited*),

CIN: L50101PB1983PLC005516

Village Asron,

District Nawanshahr,

Punjab.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SML MAHINDRA LIMITED (*Formerly SML Isuzu Limited*) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2026 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 and other records maintained by SML MAHINDRA LIMITED (*Formerly SML Isuzu Limited*) ("the Company") for the financial year ended on March 31, 2026, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021: Not applicable during the financial year under review.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.

- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
 - f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
 - g) 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 as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- (vi) The Motor Vehicles Act, 1988 and the rules made thereunder (the law which is applicable specifically to the Company, being manufacturer of Commercial Vehicles),
- (vii) Other laws applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on the National Stock Exchange of India Limited and BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year, were carried out in compliance with the applicable Act and Regulations.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion 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 applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company has transferred 14,949 equity shares to the Investor Education and Protection Fund.
2. Pursuant to the Share Purchase Agreements ("SPA(s)") executed with Sumitomo Corporation and Isuzu Motors Limited (collectively referred to as "the sellers"), Mahindra & Mahindra Limited ("M&M") acquired an aggregate of 85,33,053 fully paid up equity shares of the company constituting 58.96% of the total share capital, on 01.08.2025.

Resultant to the aforesaid acquisition, M&M became the holding company of SML Mahindra Limited (*formerly SML Isuzu Limited*) and was also classified as the “Promoter” of the company. Upon sale of its entire shareholding in the company and relinquishment of all control over the company, inter alia other terms of the SPA, Sumitomo Corporation ceased to be a Promoter of the company w.e.f. 01.08.2025.

3. Mahindra & Mahindra Limited, through an Open Offer by making a Public Announcement and Detailed Public Statement, have further acquired 673 fully paid up equity shares of the company. The offer opened on August 08, 2025 and closed on August 22, 2025. Subsequent to the closure of the Open Offer, M&M holds 58.97% of the total share capital of the company.
4. With the approval of the members vide special resolution passed in the 41st Annual General Meeting of the company held on 26.09.2025, and with the approval of the office of Registrar of Companies, Punjab and Chandigarh, the name of the company was changed from “SML Isuzu Limited” to “SML Mahindra Limited” with effect from 08.10.2025 and the resultant alterations were made to the Memorandum and Articles of Association of the company.

I further report that, there were no instances of

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity
- (ii) Redemption/ buy-back of securities
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

**For A. Arora & Co.
Company Secretaries**

AJAY K. ARORA
(Proprietor)

FCS No. 2191

C P No.: 993

Peer review Cert No. 2120/2022

Place: Chandigarh
Date : 11.04.2026

UDIN: F002191H000067223

ANNEXURE G TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy

- LED lights with better luminous efficacy and low power consumption provided at various locations in the plant.
- More than 2516 points identified and corrected to stop compressed air leakage and reduce power consumption of air compressors.

2. The steps taken by the company for utilizing alternate sources of energy

- The company have installed Solar Plant of 3.04 MWp capacity Rooftop, generated total 4190623 kWh with saving of approx. Rs 360 lakhs during FY 2025-26.
- The Company has shifted from HSD to PNG for its thermal energy requirements in its manufacturing processes which has resulted in saving of Rs. 305 lakhs during FY-2025-26.
- Using electric fork lifters / Tow Trucks / stackers for material handling.

3. Capital investment on energy conservation equipment's

Capital Investment for LED lights & VFD: Rs. 53.19 lakhs.

TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

- Development of 9m Electric Bus
- Development of AC – Truck Cabin
- Development of Hiroi 3430 smallest LPO built up Bus in India
- Aasai MX bus AC & Non-AC for Maxicab segment
- Development of 11-Ton Tipper
- Development of GS Ambulance
- Development of Executive LX LHD BSIV Buses for export
- Development of LHD BS-III Electronic Trucks & Tippers for export
- Development of RHD GS BS-III Electronic Trucks for export.

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

- Development of EV vehicles for clean & efficient mobility solution which results in reducing environmental impact.
- Development of AC cabin for driver friendly vehicle and improve comfort.

(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; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: - Not Applicable

(iv) The expenditure incurred on Research & Development :	(Rs. in lakhs)
(a) Capital	562.26
(b) Recurring	2041.03
(c) Total	2603.29
(d) R&D expenditure as a %age of total income	0.91%

The Company's in-house Research & Development facility has been duly recognized by Department of Scientific & Industrial Research (DSIR), Govt. of India since 1987.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in lakhs)
Earnings in foreign currency	10656.46
Payment in foreign currency	582.70

ANNEXURE H TO DIRECTORS' REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT FOR FINANCIAL YEAR 2025-26

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L50101PB1983PLC005516
2.	Name of the Listed Entity	SML MAHINDRA LIMITED (formerly SML Isuzu Limited)
3.	Year of Incorporation	26th July, 1983
4.	Registered office address	Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab - 144533
5.	Corporate address	1st Floor, T7 Tech Park. C-119, Industrial Area, Phase-7, Sector 73, Mohali, SAS Nagar, Punjab – 160055
6.	E-mail id	investors@smlmahindra.com
7.	Telephone	0172-2647700-02
8.	Website	https://smlmahindra.com/IN
9.	Financial Year reported	1st April 2025 to 31st March 2026
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE), National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	Rs. 14.47 crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Parvesh Madan Company Secretary and General Manager - Finance Tel: 0172-2647700-02 pmadan@smlmahindra.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/services

16. 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	Manufacturing and Sale of Commercial vehicles	Manufacturing and Sale of Trucks & Buses	93%

17. 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	Cargo Vehicles (Trucks)	29102	24%
2	Passenger Vehicles (Buses)	29109	69%

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

Location	Number of plants	Number of offices	Total
National	1	10	11
International	-	-	-

19. Markets served by the entity:
a. Number of locations

Locations	Number
National (No. of States)	28 States & 8 Union Territories
International (No. of Countries)	10

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

4.68%

c. A brief on types of customers:

The Company is engaged in the manufacturing and sale of Commercial Vehicles such as Buses, Trucks, and Special Application vehicles. Its customer base comprises fleet owners, educational institutions, offices, transporters, Government agencies, and others across domestic and international markets.

IV. Employees
20. Details as at the end of Financial Year: As on 31.03.2026
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)	799	772	96.6%	27	3.4%
2.	Other than Permanent (E)	19	15	78.9%	4	21.1%
3.	Total employees (D+E)	818	787	96.2%	31	3.8%

S.No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
WORKERS						
4.	Permanent (F)	264	264	100.0%	-	-
5.	Other than Permanent (G)	2,495	2,352	94.3%	143	5.7%
6.	Total employees (F+G)	2,759	2,616	94.8%	143	5.2%

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)	1	1	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D+E)	1	1	100%	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	2	2	100%	-	-
5.	Other than Permanent(G)	5	5	100%	-	-
6.	Total differently abled employees (F+G)	7	7	100%	-	-

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	2	28.6%
Key Management Personnel (in terms of Section 203 of the Companies Act, 2013) (including Executive Chairman and ED & CEO)	4	-	-

22. Turnover rate for permanent employees and workers

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10%	8%	10%	10%	5%	9%	9%	-	9%
Permanent Workers	6%	-	6%	2%	-	2%	6%	-	6%

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

23. (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)
	Mahindra and Mahindra Limited	Holding Company	58.97%	No

Note: Sumitomo Corporation, Japan, a body corporate, with 43.96% shareholding was the Promoter of the Company up to 1st August 2025. As explained in the Board Report, on 1st August 2025, Sumitomo Corporation, Japan and Isuzu Motors Limited, Japan (a Public Shareholder) have transferred their respective equity stakes of 43.96% and 15% to Mahindra & Mahindra Limited and, consequently, the Company has become a subsidiary of Mahindra & Mahindra Limited w.e.f. 1st August, 2025. However, the Company does not have any Subsidiary, Joint Venture or Associate Company.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in Rs. Lakhs) -	2,83,792
(iii) Net worth (in Rs. Lakhs) -	51,934

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	24	-	-	21	-	-
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	188	1	-	96	-	-
Value Chain Partners	Yes	-	-	-	-	-	-

* The Grievances Redressal Policy of the Company is available at the following link:

<https://smlmahindra.com/IN/investors/policies/corporate-policies>

26. 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	Product Safety, Quality and Innovation	Opportunity	To ensure that products of the Company are compliant with Central Motor Vehicles Rules (CMVR) and adhere to prescribed emission norms that will enhance Company's brand value and nurturing customer trust.	-	Positive Implications
2	Cyber Security	Risk	Increasing digitization of operations makes the company vulnerable to data breaches, leading to reputational damage and erosion of customer confidence in the Company.	<ul style="list-style-type: none"> - The Company has Information Security/ Cyber security Policy. - Close monitoring of information security systems and processes to safeguard the Company's sensitive data and information. - Mandatory employee awareness trainings. 	Negative Implications
3	Regulatory Compliance	Risk	Non-compliance with Regulatory & Statutory requirements frequently leads to litigations including penalties, fines.	<ul style="list-style-type: none"> - Conducting periodic risk assessments to identify potential areas of compliance related risks. 	Negative Implications

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)
				<ul style="list-style-type: none"> - Creating a strong ethical culture in the organization with a focus on transparency and compliance. - Digitalised Compliance Tool for monitoring Compliances 	
4	Green Energy and Energy Management	Risk & Opportunity	<p>Risk</p> <ul style="list-style-type: none"> - Stringent regulatory standards to reduce carbon emission. - High and increasing cost of fuel and energy. <p>Opportunity</p> <ul style="list-style-type: none"> - Adoption of renewable energy and Alternative fuels to promote sustainability. 	<ul style="list-style-type: none"> - Regular energy consumption assessment and action to optimize energy consumption. - Shifting to alternate source of energy such as Solar Power Plant for electricity & Piped Natural Gas (PNG) in place of Diesel. 	Positive & Negative Implications
5	Anti-bribery and Anti-corruption	Risk	<ul style="list-style-type: none"> - The Company may be subject to legal fines, penalties, reputational harm, business disruptions and loss of trust in case of non-adherence to ethical business practices. 	<ul style="list-style-type: none"> - The Company has Anti-Bribery & Anti-Corruption Policy. - Effective Whistle-blower and Grievances Redressal mechanism. - Internal controls to ensure compliance with applicable laws. 	Negative Implications

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	Occupational Health and Safety	Opportunity	<ul style="list-style-type: none"> - A safe workplace improves employee morale and productivity for sustainable business operations. - Various Health and wellbeing measures are taken for the welfare of employees. - Safety rules have been implemented and being monitored on regular basis - Awareness programmes are conducted on regular basis to follow the safety rules. 	-	Positive Implications
7	Grievances Redressal Mechanism	Opportunity	To ensure compliance with the applicable laws while building trust among all the stakeholders	-	Positive Implications
8	Supply Chain Disruption	Risk	Geopolitical instability poses a risk to supply chain, impacting production lines and increase in raw material costs	<ul style="list-style-type: none"> - Developing a diversified, local-centric supplier base - Developing a second source, wherever feasible 	Negative Implications

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.

Sr.No.	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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No) – Refer Note 1	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://smlmahindra.com/IN/investors/policies/corporate-policies								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.	<ul style="list-style-type: none"> - ISO 9001: 2015 (Quality Management System) - IATF16949: 2016 (Automotive Quality Management System) - ISO 14001: 2015 (Environment Management System) - ISO 45001: 2018 (Occupational Health and Safety Management System) - ISO 27001: 2022 (Information Security Management System) - ISO 50001:2018 (Energy Management System) 								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> - To produce 17000 vehicles in FY 2025-26. - To introduce energy efficient equipment to save > 1.5 lacs kWh per annum - To Plant 1500 Trees around the plant periphery for environment protection. 								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> - Produced 17165 vehicles in FY 2025-26. - Various energy saving activities completed to save approx. 2 lacs kWh per annum. - 1500 Trees planted around the plant for environment protection 								
	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) The Company demonstrates a strong commitment to environmental sustainability by carefully managing the use of natural resources and continuously working to reduce its carbon footprint. It has upgraded all its products to comply with the latest emission norms, ensuring minimal environmental impact. As part of its focus on renewable energy, the Company has installed a 3.04 MWp solar power plant, which generated 41,90,623 kWh of electricity during FY 2025–26, significantly contributing to the reduction of carbon emissions. In addition, biodiversity promotion remains a key priority, with more than 1,500 saplings planted through plantation drives conducted across the organization during the year.									

	<p>The Company has also taken proactive steps to optimize resource utilization and improve operational sustainability. It has replaced diesel with Piped Natural Gas (PNG) in its manufacturing processes, thereby reducing emissions and enhancing energy efficiency. Efforts to conserve water include improving water use efficiency by minimizing wastage and implementing rainwater harvesting systems. Furthermore, the Company maintains a greenbelt within its plant premises by utilizing treated water from its Effluent Treatment Plant (ETP), reinforcing its commitment to environmental conservation. The achievement and maintenance of ISO 14001:2015 certification reflect the Company's dedication to an effective Environmental Management System and a culture of continuous improvement for long-term sustainability.</p> <p>In addition to environmental initiatives, the Company adheres to strong principles of corporate governance, emphasizing transparency, disclosure, and ethical conduct in all its operations. It views itself as a custodian and trustee of stakeholder interests and strives for corporate excellence by delivering high-quality vehicles and services to customers. The organization fosters a culture of teamwork and actively involves employees in improvement & decision-making processes, while placing high importance on their integrity and commitment.</p> <p>The Company's Corporate Social Responsibility (CSR) policy focuses on creating a positive societal impact through key initiatives such as promoting healthcare and sanitation, supporting the education of girls and underprivileged children, sponsoring vocational and technical education. Through these efforts, the Company continues to contribute meaningfully to social development while maintaining a balanced approach to economic growth and environmental stewardship.</p>																			
8	<p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p> <p>Mr. Junya Yamanishi Managing Director & CEO (up to 16.04.2025) Mr. Yasushi Nishikawa Managing Director & CEO (from 17.04.2025 to 01.08.2025) Dr. Venkataraman Srinivas Executive Director & CEO (w.e.f. 01.08.2025)</p>																			
9	<p>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.</p> <p>Yes Mr. Junya Yamanishi Managing Director & CEO (up to 16.04.2025) Mr. Yasushi Nishikawa Managing Director & CEO (from 17.04.2025 to 01.08.2025) Dr. Venkataraman Srinivas Executive Director & CEO (w.e.f. 01.08.2025)</p>																			
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)																		
	<table border="1"> <tr> <td>P1</td><td>P2</td><td>P3</td><td>P4</td><td>P5</td><td>P6</td><td>P7</td><td>P8</td><td>P9</td> </tr> </table>	P1	P2	P3	P4	P5	P6	P7	P8	P9	<table border="1"> <tr> <td>P1</td><td>P2</td><td>P3</td><td>P4</td><td>P5</td><td>P6</td><td>P7</td><td>P8</td><td>P9</td> </tr> </table>	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	<table border="1"> <tr> <td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td> </tr> </table>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Periodically or on a need basis									
Y	Y	Y	Y	Y	Y	Y	Y	Y												
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	<table border="1"> <tr> <td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td> </tr> </table>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Quarterly									
Y	Y	Y	Y	Y	Y	Y	Y	Y												

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								
<p>Note 1. The Board of Directors of the Company have approved, from time to time, entity level policies such as Code of Conduct for Directors and Code of Conduct for Employees, Whistle Blower Policy, Anti-Bribery and Anti Corruption Policy, Corporate Social Responsibility Policy, etc. in line with the regulatory requirements.</p> <p>Other policies & procedures are formulated having regard to business needs, controls and compliance with applicable laws & regulations and are approved and signed by the Executives Director & CEO.</p>										
12	<p>If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not applicable</p>									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Covering Company's Policies & Procedures	100%
Key Managerial Personnel (KMP) and Senior Management	2	Awareness Program on all Nine (9) Principles	100%
Employees other than BoD and KMPs/Senior Management	15	Awareness Program has been conducted online / offline on all the Nine (9) Principles including training programs - covering behavioral, emerging skills, functional competencies, technical training, Hazard Identification and Risk Assessment (HIRA), Fire Safety, Emergency Preparedness, Code of Conduct, Prevention of Sexual Harassment, cybersecurity, sustainability, ISO 45001 & ISO 14001, Safety Standards, 7QC Tools, FMEA, APQP, MSA, SPC, TPM etc.	100%

Workers	47	Awareness Program on all nine (9) principles, Basic Safety Rules, Usage of PPEs, First Aid, Identification of unsafe condition, Quality and Assembly operations along with need-based training as per their job and role requirement.	100%
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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):

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

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.**

Not Applicable

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 a well-defined Anti-Bribery and Anti-Corruption (ABAC) Policy, which is publicly available on its official website at: <https://smlmahindra.com/IN/investors/policies/corporate-policies>. The policy applies broadly to all Directors, employees across all levels and grades (including permanent, temporary, and fixed-term staff), as well as business associates, consultants, contractors, and any other individuals or entities directly or indirectly associated with the Company or acting on its behalf.

The Company follows a strict zero-tolerance approach towards bribery and corruption in any form across all its business dealings and relationships. It is committed to maintaining robust systems and procedures to detect, prevent, and address any instances of corruption or unethical practices. Offering or accepting cash, cash equivalents, illegal payments, gifts, donations, or any form of remuneration intended to influence business decisions is strictly prohibited. However, reasonable and bona fide business hospitality or gifts may be permitted, provided they are not intended to improperly influence decisions and are in compliance with Company policies.

In addition, the Company has established a comprehensive Code of Conduct applicable to Directors, employees, and business associates, which reinforces ethical standards and explicitly prohibits corruption, bribery, and conflicts of interest in all business interactions.

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

There were no such instances reported during FY 2025-26 and FY 2024-25.

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

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

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

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	63	70

Note: Average trade payables and purchase of materials and stock in trade has been considered in the computation of days of accounts payable.

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	82.12%	87.70%
	b. Number of dealers / distributors to whom sales are made	200	153
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	37.12%	38.20%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.01%	0.04%
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	-	-

Leadership Indicators

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

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness program
7 Sessions	All Nine (9) Principles including Company's Policies.	100% Contractors
2 Sessions		100% Dealers
4 Sessions		70% Suppliers

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 ensures disclosures/declarations from its Board Members regarding their Directorships/Committees/shareholding(s) on an annual basis.

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.**

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	83%	88%	- Electrical Vehicle - Higher HP Engines - Emission Testing
Other Capex	14%	11%	- Truck Cabin AC - Electric Material Handling Equipment - Safety Equipment

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

The Company has established a Supplier Quality Manual (SQM) that defines structured and standardized terms and conditions for suppliers across the entire supply chain. The SQM is accessible to all suppliers and promotes ethical governance, consistency, and sustainability in sourcing practices.

Additionally, the Company has implemented a robust supplier selection process along with an assessment framework to identify improvement opportunities and strengthen sustainability principles. The sourcing strategy focuses on optimizing logistics, encouraging the use of returnable packaging to reduce waste and enhance reuse, and prioritizing local procurement. As a result, the majority of components are sourced domestically, contributing to reduced environmental impact and improved supply chain efficiency.

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

100%

- 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 Company is committed to sustainable waste management and has established processes to safely reclaim, reuse, recycle, and dispose of waste generated during its operations. For plastics, including packaging, the Company focuses on reducing usage by adopting returnable and reusable packaging systems, thereby minimizing single-use plastics and promoting reuse. Plastic waste generated during operations is segregated at the source and routed to appropriate recycling channels to ensure maximum recovery and minimal environmental impact.

With respect to e-waste, the Company ensures that all discarded electrical and electronic items are properly identified, segregated, and handled in an environmentally responsible manner. Such waste is disposed of only through authorized scrap dealers in compliance with applicable regulations. Hazardous waste is managed with strict adherence to prescribed safety and environmental guidelines. The Company ensures proper segregation, labelling and storage, of hazardous waste and disposal is carried out exclusively through authorized agencies to ensure safe treatment and minimize risks to human health and the environment.

For other types of waste generated in operations, the Company follows a systematic approach of segregation at source. Efforts are made to maximize reuse and recycling wherever feasible, while the remaining waste is disposed of through approved waste management service providers. Overall, the Company emphasizes the principles of reduce, reuse, recycle, and responsible disposal to minimize environmental impact and ensure regulatory compliance.

- 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.**

Yes, Extended Producer Responsibility (EPR) registration has been done with Central Pollution Control Board (CPCB). Waste collection plan is in line with the EPR plan submitted to CPCB.

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.
The Company has not conducted LCA for its products					

- 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.**

Not Applicable

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).**

Not Applicable.

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 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

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

Not Applicable

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: As on 31.03.2026**

Category	% of employees covered by										
	Total (A)	Health insurance*		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	772	-	-	772	100%	-	-	-	-	-	-
Female	27	-	-	27	100%	27	100%	-	-	-	-
Total	799	-	-	799	100%	27	3.4%	-	-	-	-
Other than Permanent employees											
Male	15	-	-	15	100%	-	-	-	-	-	-
Female	4	-	-	4	100%	4	100%	-	-	-	-
Total	19	-	-	19	100%	4	21.1%	-	-	-	-

* All Employees are covered under Company's internal medical policy and / or ESI/PF-EDLI.

b. Details of measures for the well-being of employees: As on 31.03.2026

Category	% of workers covered by										
	Total (A)	Health insurance*		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	264	-	-	264	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	264	-	-	264	100%	-	-	-	-	-	-
Other than Permanent workers											
Male	2352	-	-	-	-	-	-	-	-	-	-
Female	143	-	-	-	-	143	100%	-	-	-	-
Total	2495	-	-	-	-	143	5.7%	-	-	-	-

* All Workers are covered under Company's internal medical policy and/or ESI/PF-EDLI.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.30%	0.32%

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

Benefits	FY 2025-26			FY 2024-25		
	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%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	5.3%	71.6%	Yes	6.8%	81.1%	Yes
Superannuation	21.1%	-	Yes	19.1%	-	Yes

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, the premises of the Company are accessible to differently abled employees and workers as per the requirements. The Company also provides necessary assistance as per the Rights of Persons with Disabilities Act, 2016.

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.

Yes, the Company has an Equal Employment Opportunity Policy in line with the provisions of the Rights of Persons with Disabilities Act, 2016. The policy emphasizes non-discrimination, equal opportunity, inclusion, and accessibility for persons with disabilities, and aims to ensure a fair and supportive work environment for all employees.

The policy is publicly available on the Company's website and can be accessed at the following link: <https://smlmahindra.com/IN/investors/policies/corporate-policies>

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100%	100%	-	-
Total	100%	100%	-	-

Note: The Company does not provide paternity leave to male employees

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	<p>Yes, the Company has a well-established Grievance Redressal Policy, integrated with its Whistle-blower Policy and Prevention of Sexual Harassment (POSH) Policy, to ensure an effective and robust grievance redressal mechanism. These policies are designed to promote transparency, fairness, and accountability, ensuring that all employee concerns and grievances are addressed promptly and effectively.</p> <p>All related policies are made accessible to employees through the Employees' Portal and are also available on the Company's website. Additionally, these policies are regularly communicated across the organization through appropriate channels to ensure awareness and understanding among all stakeholders.</p> <p>The policies can be accessed on the Company's website at: https://smlmahindra.com/IN/investors/policies/corporate-policies.</p>
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2025-26			FY 2024-25		
	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	799	-	-	718	-	-
- Male	772	-	-	697	-	-
- Female	27	-	-	21	-	-
Total Permanent Workers	264	264	100%	272	272	100%
- Male	264	264	100%	272	272	100%
- Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	772	689	89%	715	92%	697	575	82%	596	86%
Female	27	16	59%	26	96%	21	10	48%	16	76%
Total	799	705	88%	741	92%	718	585	81%	612	85%

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Male	264	235	89%	141	53%	272	155	57%	135	50%
Female	-	-	-	-	-	-	-	-	-	-
Total	264	235	89%	141	53%	272	155	57%	135	50%

9. Details of performance and career development reviews of employees and worker:(Only of permanent employees (both worker & staff))

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	772	772	100%	697	697	100%
Female	27	27	100%	21	21	100%
Total	799	799	100%	718	718	100%
Workers						
Male	264	264	100%	272	272	100%
Female	-	-	-	-	-	-
Total	264	264	100%	272	272	100%

10. Health and safety management system:

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

Yes, the Company has implemented an Occupational Health and Safety Management System. Safety is a top priority and an integral part of its operations. The Company has adopted and implemented ISO 45001:2018 (Occupational Health and Safety Management System) by integrating all critical processes to ensure a safe and healthy working environment. The system is periodically audited by an independent third-party agency to ensure compliance and continuous improvement. The coverage of this system extends to all employees and workers across the Company.

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

The Company has developed comprehensive Standard Operating Procedures (SOPs) and a system for Hazard Identification and Risk Assessment (HIRA) to identify work-related risks and hazards for both routine and non-routine activities. These procedures and assessments are reviewed and updated regularly to ensure effectiveness and compliance. The Company is certified under ISO 45001:2018 (Occupational Health and Safety Management System), reflecting its commitment to maintaining a safe and healthy work environment.

In addition, the Company provides specialized training to the operating team to conduct HIRA across all activities in its manufacturing plant. Conducting a Job Safety Analysis (JSA) is a mandatory requirement for obtaining permits for non-routine work, ensuring that potential risks are systematically assessed and mitigated. The Company also maintains a well-defined Environment, Health, and Safety (EHS) Policy, with its implementation and performance reviewed periodically by management to ensure continuous improvement.

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

Yes, the Company has a well-established system that enables workers to report work-related hazards and remove themselves from risky situations. The system actively involves workers in identifying unsafe conditions and addressing potential risks. A Safety Committee, with worker representation, meets regularly to review and resolve safety-related issues. Additionally, the Company promotes a culture of safety by appointing "Safety Champions" in each shop, who are empowered to identify and

report unsafe conditions, near misses, accident risks, and other hazardous situations across operations.

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

Yes, employees / workers have access to non-occupational medical and healthcare services. Health awareness sessions are conducted by Chief Medical Officer of the Company on regular basis. Consulting Doctors are invited for health awareness.

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

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	-	-
	Workers	-	0.18
Total recordable work-related injuries	Employees	-	-
	Workers	-	1
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work - related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

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

The Company is committed to providing a safe and healthy workplace environment for all employees. It is certified under ISO 45001:2018 and has a comprehensive Environment, Health & Safety (EHS) Policy to ensure the well-being of its workforce. All activities carried out in the plant are subject to Hazard Identification and Risk Assessment (HIRA) and follow the Plan-Do-Check-Act cycle to drive continual improvement and maintain safe operations. Employees are trained according to a pre-defined training calendar, encouraging their active participation in safety-related activities.

In addition to these core measures, the Company has implemented several initiatives to strengthen workplace safety. A Safety Committee with worker representation regularly addresses safety concerns. A dedicated "DOJO" training centre is used to impart structured safety training, while periodic and surprise safety audits are conducted to identify unsafe conditions and implement improvements. Mock drills are organized regularly to ensure emergency preparedness, and safety training is made mandatory for all employees, reinforcing a culture of safety throughout the organization.

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

	FY 2025-26			FY 2024-25		
	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	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

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

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.

For all safety-related incidents, the Company conducts a thorough investigation using the Why-Why Analysis methodology to identify the root causes. Based on the findings, appropriate corrective actions are implemented across all relevant areas of the 6M framework – Man, Machine, Method, Material, Measurement, and Mother Nature – to prevent recurrence. In addition, Hazard Identification and Risk Assessment (HIRA) is carried out for various activities to identify and mitigate potential risks. Mitigation measures are applied following the hierarchy of controls, including engineering controls, administrative controls, and the provision and use of personal protective equipment (PPEs), ensuring a systematic and effective approach to workplace safety.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company extends compensatory packages to its Employees as well as Workers in the event of death.

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 ensures that statutory dues are properly deducted and deposited by its value chain partners through multiple measures. Its Code of Conduct for Business Associates explicitly requires adherence to all applicable regulatory compliances. In addition, the Company verifies statutory contributions such as Provident Fund (PF) and Employees' State Insurance (ESI) for contractors providing manpower services, ensuring that legal obligations are met and workers' rights are protected.

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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	-	-	-	-
Workers	-	-	-	-

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)

No

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	The Company's code of conduct for its Business Associates specifies this requirement.
Working Conditions	

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

None

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 Company has identified the key stakeholders through internal and peer review and analysis of stakeholders group that could have a potential impact on them. The Company actively engages with all stakeholders on a regular basis to understand their expectations and develop strategies to address them.

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 engagements
Employees/ Workers	No	Performance Management Review, Regular interaction with workers union, communication through Notice Board, Townhall Meetings, Employees Portal & Emails	On going	<ul style="list-style-type: none"> - Feedback to/from Employees - Training & development - Rewards & recognition
Suppliers	No	Suppliers online portal, One-to-one interactions, Suppliers meet & Emails	On going	<ul style="list-style-type: none"> - Scheduling of material - Supplier development

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website), others	Frequency of engagement (Annually/Half yearly/ Quarterly/ others—please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagements
Customers/ Dealers	No	Dealers online portal, One-to-one interactions, Dealers meet, E-mails, WhatsApp, SMS & Social media	On going	<ul style="list-style-type: none"> - Delivery of vehicles - After sales service - Quality of service - Handling customer complaints
Shareholders/ Investors	No	Annual General Meeting, Emails, Newspaper Publications, Letters, Company Website and Communication through stock exchanges	Annually/ Quarterly/ Monthly	<ul style="list-style-type: none"> - Financial results - Update on the Company's performance and material events
Local Communities	Yes	CSR activities / initiatives at various locations nearby to the Company's Plant/Offices	On going	To assess local community needs

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.**

The broad process of engagement with the stakeholders is outlined above. The sub-committees of the Board ensure interaction between the stakeholders and the Board to ensure their views/feedback on various matters.

- Stakeholders Relationship Committee (SRC) ensure to address the grievances of the stakeholders.
- Risk Management Committee (RMC) is entrusted with the functions of determining the efficacy of risk management framework of the Company, evaluation of risks and mitigating measures. The Risk Management Policy of the Company sets out key risk areas including financial risks, legislative and regulatory risks, environmental risks and operational risks.
- The Corporate Social Responsibility (CSR) Committee ensures feedback from the concerned stakeholders on the CSR initiatives/activities undertaken by the Company.

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, the Company engage with its internal and external stakeholders whenever required. The Company takes feedback in respect of its CSR initiatives / activities from the concerned stakeholders.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Under its CSR initiatives, the Company is driving various projects to uplift the marginalized and vulnerable communities.

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 2025-26			FY 2024-25		
	Total (A)	No. employees workers covered (B)	% of (B/A)	Total (C)	No. employees workers covered (D)	% of (D/C)
Employees						
Permanent	799	799	100%	718	718	100%
Other Than permanent	19	19	100%	103	103	100%
Total Employees	818	818	100%	821	821	100%
Workers						
Permanent	264	264	100%	272	272	100%
Other Than permanent	2495	2495	100%	2116	2116	100%
Total Workers	2759	2759	100%	2388	2388	100%

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

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	799	-	-	799	100%	718	-	-	718	100%
Male	772	-	-	772	100%	697	-	-	697	100%
Female	27	-	-	27	100%	21	-	-	21	100%
Other than Permanent	19	-	-	19	100%	103	-	-	103	100%
Male	15	-	-	15	100%	94	-	-	94	100%
Female	4	-	-	4	100%	9	-	-	9	100%
Workers										
Permanent	264	-	-	264	100%	272	-	-	272	100%
Male	264	-	-	264	100%	272	-	-	272	100%
Female	-	-	-	-	-	-	-	-	-	-
Otherthan Permanent	2495	1102	44%	1393	56%	2116	1040	49%	1076	51%
Male	2352	959	41%	1393	59%	2114	1039	49%	1075	51%
Female	143	143	100%	0	-	2	1	50%	1	50%

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

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category Rs. in Lacs	Number	Median remuneration/ salary/wages of respective category Rs. in Lacs
Board of Directors (BoD)- Executive Chairman, ED & CEO, MD & CEO (up to 01.08.2025)	3	120.0	-	-
Key Managerial Personnel (excluding Whole Time Directors)	3	65.0	-	-
Employees other than BoD and KMP	770	13.5	27	7.2
Workers	264	11.8	-	-

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	1.71%	1.59%

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, the Head of the Human Resources (HR) Department serves as the focal point responsible for addressing human rights impacts or issues caused or contributed to by the business. This role includes monitoring, managing, and resolving any human rights-related concerns, ensuring that the Company upholds ethical practices and complies with relevant laws and policies.

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

The Company is committed to fostering an inclusive work environment where all individuals are treated with dignity and respect. To effectively address grievances related to human rights issues, the Company has established well-defined internal mechanisms, including the Whistle-Blower Policy, Prevention of Sexual Harassment (POSH) Policy, and Grievance Redressal Policy. These policies provide structured channels for employees to report concerns, ensure confidentiality, and guarantee that all grievances are investigated and resolved promptly and fairly.

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

	FY 2025-26			FY 2024-25		
	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	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

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

The Company has established mechanisms to prevent any adverse consequences to complainants in cases of discrimination or harassment.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, wherever relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	-

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

Not Applicable.

Leadership Indicators

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

Not applicable. The Company has not received any grievances or complaints regarding Human Rights principles and guidelines, and therefore, no business processes have required modification or introduction on this basis.

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

The Company has a well-defined Human Rights Policy that applies to all employees and workers. The policy establishes the scope and coverage of the Company's human rights due diligence, ensuring that all operations and workplace practices uphold human rights principles, prevent discrimination, and promote a safe, inclusive, and respectful work environment.

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, the premises and offices of the Company are fully accessible to differently-abled visitors, in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016, ensuring that all facilities are designed to accommodate their needs.

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	The Company's Code of Conduct for its Business Associates sets out these requirements.
Discrimination at workplace	
Child labour	
Forced labour/involuntary labour	
Wages	
Others - please specify	

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

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26 (in Gigajoules)	FY 2024-25 (in Gigajoules)
From renewable sources		
Total electricity consumption (A)	13,899	13,706
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	13,899	13,706
From non-renewable sources		
Total electricity consumption (D)	32,687	22,192
Total fuel consumption (E)	62,048	45,991
Energy consumption Through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	94,735	68,183
Total energy consumed (A+B+C+D+E+F)	1,08,635	81,889
Energy intensity per rupee of turnover (Total energy consumed in Gigajoules/ Revenue from operations in Rupees Crores)	38.3	34.1
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed in Gigajoules / Revenue from operations in Rupees Crores adjusted for PPP *)	790.1	705.2
Energy intensity in terms of physical Output (Total energy consumed in Gigajoules / Total vehicles produced)	6.3	5.8
Energy intensity (<i>optional</i>) - the relevant metric may be selected by the entity	-	-

* The revenue from operations has been adjusted for PPP based on the latest implied PPP conversion factor published

[\[https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD\]](https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD)

for the year 2026 by the IMF which is 20.64.

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.

Yes, data evaluation / verification from TUV Rheinland India Pvt. Ltd.

- 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.**

The Company does not have sites/facilities identified as designated consumer under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

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

Parameter	FY 2025-26	FY 2024-25
(i) Surface water	-	-
(ii) Groundwater	76,758	94,917
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	76,758	94,917
Total volume of water consumption (in kilolitres)	76,758	94,917
Water intensity per rupee of turnover (Water Consumed in Kiloliters / Revenue from operations in Rupees Crores)	27.0	39.6
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in Kilolitres/ Revenue from operations in Rupees Crores adjusted for PPP)	558.3	817.4
Water intensity in terms of physical Output (Total water consumption in Kilolitres / Total vehicles produced)	4.5	6.7
Water 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, however, monthly water extraction record is submitted to PWRDA (Punjab Water Regulation and Development Authority).

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
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	-	-
- With treatment – please specify level of treatment	-	-
(v) Others *	62,959	71,797
- No treatment	-	-
- With treatment – please specify level of treatment	62,959 (Tertiary)	71,797 (Tertiary)
Total water discharged (in kilolitres)	62,959	71,797

* Data pertains to STP/ETP treated water used for in-house plantations.

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, the quality of effluent discharge is being ensured through Punjab Pollution Control Board (PPCB) approved labs. Treated water reports are also submitted to PPCB whenever required.

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

Yes. The company treats all its wastewater through its Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP). The treated water is reused for plantation within the company premises, ensuring effective water conservation. The quality of the treated water is regularly monitored through approved laboratories and is also periodically inspected by the Punjab Pollution Control Board (PPCB) to ensure compliance with environmental standards.

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

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx (Nitrogen oxide)	ppm	395.9	320
SOx (Sulphur Oxide)	mg/Nm3	15.8	BDL (Below Detection Limit)
Particulate matter (PM)	mg/Nm3	41.5	40
Persistent organic pollutants (POP)	ppm	-	-
Volatile organic compounds (VOC)	ppm	-	-
Hazardous air pollutants (HAP)	ppm	-	-
Others—please specify	-	-	-

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. However, assessment / evaluation is being carried by PPCB and PPCB approved laboratories on quarterly basis.

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of Co2 equivalent</i>	4,649	3,116
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO2 equivalent</i>	6,447	4,482
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in rupees crores)	<i>Metric tonnes of CO2 equivalent per rupee of turnover in rupees Crores</i>	3.9	3.2
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in rupees crores adjusted for PPP)	<i>Metric tonnes of CO2 Equivalent per rupee of turnover in rupees crores adjusted for PPP</i>	80.7	65.4
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions / Total vehicles produced)	<i>Metric tonnes of CO2 Equivalent per vehicle produced</i>	0.6	0.5
Total Scope 1 and Scope 2 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.

Yes, data evaluation / verification from TUV Rheinland India Pvt. Ltd.

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

Yes. The Company has undertaken several initiatives to optimize its energy consumption. These include the installation of a solar power plant to harness renewable energy, switching to PNG in place of diesel in the manufacturing process, and replacing conventional lighting with energy-efficient LED lights. As an alternate source of energy, the Company has installed a 3.04 MWp rooftop solar power plant, which generated 41,90,623 kWh of electricity during FY 2025–26, contributing to a significant reduction in carbon emissions.

The Company is also continuously improving its products in terms of fuel efficiency, emissions, and material usage. It is adopting advanced technologies in its operations to minimize waste and optimize the consumption of natural resources. To promote a culture of continuous improvement and ensure long-term sustainability, the Company has obtained and maintains ISO 14001:2015 (Environmental Management System) certification.

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

Parameter	FY 2025-26 (In Metric tonnes)	FY 2024-25 (In Metric tonnes)
Plasticwaste (A)	107.80	105.37
E-waste (B)	18.39	4.96
Bio-medical waste (C)	0.009	0.022
Construction and demolition waste (D)	-	-
Battery waste (E)	4.66	3.02
Radioactive waste (F)	-	-
Other Hazardous waste. (Paint Sludge, ETP sludge, Used Oil, Empty cans, etc.) (G)	118.70	85.82
Other Non-hazardous waste generated (H). (Rubber, metal, cardboard, wooden, etc.)	3,998.74	3,164
Total (A + B + C + D + E + F + G + H)	4,248.30	3,363.20
Waste intensity per rupee of turnover (Total waste generated in metric tonnes / Revenue from operations in rupees crores)	1.5	1.4
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated in metric tonnes / Revenue from operations in rupees crores adjusted for PPP)	30.9	29.0
Waste intensity in terms of physical output (Total waste generated in metric tonnes / Total vehicles produced)	0.2	0.2

Parameter	FY 2025-26 (In Metric tonnes)	FY 2024-25 (In Metric tonnes)
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Total waste generated for each category other than non-hazardous waste, is being disposed-off through recyclers and co-processors authorized by Pollution Control Board .

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 assessment has been carried out by any external agency.

- 10. 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 has well established Environment, Health and Safety (EHS) Management System, with waste management forming an integral part of it. The Company is certified to ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health and Safety Management System). The Company also has robust policies and procedures in place to ensure effective waste handling, disposal, and continuous monitoring in compliance with applicable regulatory requirements.

The Company has obtained authorization from State Pollution Control Board for management of Hazardous and Non-hazardous waste. All types of waste are segregated at source and stored at designated storage area. Generation and disposal records are being maintained for every type of waste as per consent / applicable rule requirement. Our operations do not generate any hazardous / toxic chemicals. Chemicals are being handled as per their MSDS by trained people and consumption is reduced based on the specific process requirement. The Company also conducts regular awareness programs on waste management for its employees & workers to ensure proper waste handling and safety.

11. 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 the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. 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
Not Applicable					

13. 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 all the applicable laws.

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

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of **water stress** (in kilolitres):
For each facility / plant located in areas of water stress, provide the following information:
 - (i) Name of the area
 - (ii) Nature of operations
 - (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/ desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed/ turnover)	-	-
Water intensity (optional)- the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
(v) Others		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
Total water discharged (in kilolitres)	-	-

The Company's Plant is not located in water stress area.

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.

Not Applicable.

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity		-	-

Presently, the Company is not maintaining the details of Scope 3 emissions.

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.

Not applicable.

- 3. With respect to the ecologically sensitive areas reported at Question 11 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.

- 4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Solar Power Plant: as alternate of electricity consumption.	Total 3.04 MWp solar power plant installed on rooftop to harness energy.	41,90,623 KWH produced through solar in FY 2025-26 that will lead to reduction in Carbon emissions
2	Use of PNG: in place of Diesel & LPG	PNG pipeline installed in Plant to use PNG in place of Diesel & LPG in manufacturing facilities.	Reduction in Carbon emissions
3	Energy efficient Lights in place on conventional lights : LED Lights are being used in place of conventional lights	562 nos. conventional lighting fixtures have been replaced with LED lights	More than 1,06,797 kWh of electricity saved in FY 2025-26.
4	Improvements in STP (sewage treatment Plant) & ETP (Effluent treatment plant)	Installed separate secondary tube settler for ETP and screw press to improve ETP/STP efficiency.	62,959 KL water treated and used for plantation in FY 2025-26
5	Waste Management	The Company has registered with CPCB for E-waste and Plastic waste under EPR compliance.	Meeting EPR compliances.

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

Disaster management is an integral part of the Company's Environment, Health and Safety (EHS) Management System. The Company has implemented an Onsite Emergency Plan to effectively address emergency situations. This plan includes Emergency Preparedness Procedures (EPPs) covering scenarios such as flooding, earthquakes, major fires, and disease outbreaks. These plans focus on

mitigation, preparedness, response, and recovery to ensure minimal disruption to business operations during emergencies. Key locations are equipped with emergency sirens, first aid facilities, medical support, and designated assembly points. To maintain a high level of preparedness, the Company conducts regular training and capacity-building programs, including mock drills, for employees and workers. Disaster management plans are readily available and easily accessible to all relevant stakeholders. Overall, the Company's disaster management and emergency preparedness framework is designed to ensure business continuity during emergencies while safeguarding personnel, assets, and other critical resources.

6. 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 significant risks/concerns have been raised during the year. The Code of Conduct for the Business Associates of the Company covers all applicable EHS compliances that advised all its contractors, suppliers & other business associates to comply with policies and guidelines of various environmental & statutory regulations and ethical practices.

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

The Company has developed a self-assessment system for its value chain partners and verifying it on random basis to check their preparedness & efficiency to EHS compliances.

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.

The Company is an active member of Six (6) associations.

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Society of Indian Automobile Manufacturers (SIAM)	National
2	Automotive research association of India (ARAI)	National
3	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
4	Japan Chamber of Commerce and Industry in India (JCCII)	National
5	Northern India Chamber of Commerce & Industry (NICCI)	National
6	Engineering Export Promotion Council (EETPC) of India	National

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

Not Applicable.

Leadership Indicators

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

None

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

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

Not Applicable

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

Not Applicable

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

The Company has a Grievance Redressal Policy, which is available on Company's website - <https://smlmahindra.com/IN/investors/policies/corporate-policies>

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

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	12.1%	11.6%
Directly from within India	99.8%	99.7%

- Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26	FY 2024-25
Rural*	81%	80%
Semi-urban	-	-
Urban	-	-
Metropolitan	19%	20%

(Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

*Company's Plant is located in Village Asron, Distt. Shahid Bhagat Singh Nagar, Punjab - 144533.

Leadership Indicators

- 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.

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

Not Applicable.

- (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No, the Company does not have a Preferential Procurement Policy. However, MSME suppliers are given preference and are supported in terms of payment and technical inputs.

- (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

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.

Not Applicable

6. Details of beneficiaries of CSR Projects undertaken during FY 2025-26:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education Support to Girls studying in Govt. Schools	600	100%
2	Educational Infrastructure in Govt. Schools	100	100%
3	Vocational Education at Govt. Schools	2000	100%
4	Medical Infrastructure at Hospitals	5000 (on monthly basis)	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has established a comprehensive system to receive and respond to consumer complaints and feedback efficiently. Consumers can share their feedback, suggestions, and complaints 24/7 through multiple channels, including phone, WhatsApp, email, and authorized service centers. Additionally, complaints can be communicated via authorized channel partners, ensuring accessibility for all consumers. The system is designed to ensure that all concerns are recorded, acknowledged, and addressed promptly, providing timely resolution and maintaining high standards of consumer satisfaction.

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	100% - All products complying with the mandated emission norms.
Safe and responsible usage	100% - All products complying with Central Motor Vehicles Rules (CMVR compliance)
Recycling and/or safe disposal	100%

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

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	188	1	-	96	-	-

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

	Number	Reasons for recall
Voluntary recalls	-	-
Forced 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, the Company has a robust framework to address cyber security and data privacy risks. It is certified under ISO 27001:2022, demonstrating its commitment to information security management. The Company's Information Security Policy, which outlines guidelines and measures for protecting data and mitigating cyber risks, is available at: <https://smlmahindra.com/IN/investors/policies/corporate-policies>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

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

Nil

c. Impact, if any, of the data breaches

Not Applicable.

Leadership Indicators

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

All information about the company's products and services are available on the company's website:
<https://smlmahindra.com/IN>

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

All the required information is provided through "Customer's Manual" to every customer. Drivers, Dealer Mechanics and other concerned persons receive training through the Company's Training Centers and Training Vans.

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

Not Applicable.

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

Product Information, as per the applicable laws, is being provided through Customer's Manual which is provided to every customer. The surveys for capturing Customer satisfaction are undertaken on regular basis.

FINANCIAL POSITION AT A GLANCE

Rs. Crores

Particulars	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Vehicles Sold (Nos.)	16,632	14,221	13,797	12,442	7,392	5,043	10,533	13,602	11,355	14,909
Revenue from operations	2,837.92	2,398.99	2,195.93	1,821.59	924.17	591.04	1,154.16	1,409.22	1,174.14	1,516.19
Profit / (Loss) before Other Income, Depreciation, Finance Costs & Tax	278.40	234.55	178.91	81.64	(41.20)	(68.79)	11.89	74.38	45.27	110.00
Other Income	8.32	6.06	5.41	3.12	5.96	4.93	5.14	4.49	3.11	4.15
Profit / (Loss) before Depreciation, Finance Cost & Tax	286.72	240.61	184.32	84.76	(35.24)	(63.86)	17.03	78.87	48.38	114.15
Finance Cost	20.74	29.88	30.35	25.05	21.51	23.34	14.63	16.10	10.52	6.18
Depreciation and Amortization	52.03	48.35	47.52	42.43	43.52	46.17	40.72	38.44	28.40	23.82
Profit / (Loss) before Tax	213.95	162.38	106.45	17.28	(100.27)	(133.37)	(38.32)	24.33	9.46	84.15
Tax (including deferred tax)	54.20	40.71	(1.43)	(2.55)	(0.51)	0.12	(17.26)	4.76	0.96	21.14
Profit / (Loss) after Tax	159.75	121.67	107.88	19.83	(99.76)	(133.49)	(21.06)	19.57	8.50	63.01
Other Comprehensive Income/(Loss)	2.98	(1.44)	(0.24)	(3.37)	5.68	4.19	(2.42)	(1.42)	(0.31)	0.26
Total Comprehensive Income	162.73	120.23	107.64	16.46	(94.08)	(129.30)	(23.48)	18.15	8.19	63.27
Dividend (%)	235%	180%	160%	-	-	-	-	30%	15%	80%
Dividend*	34.01	26.05	23.15	-	-	-	-	5.23	2.62	13.93
Equity Share Capital	14.48	14.48	14.48	14.48	14.48	14.48	14.48	14.48	14.48	14.48
Net Worth	519.34	382.66	285.59	177.95	161.49	255.57	384.87	413.59	398.06	403.80
Book Value per share (Rs.)	358.87	264.42	197.34	122.96	111.59	176.60	265.95	285.79	275.06	279.03
Earnings Per Share (Rs.)	110.39	84.08	74.54	13.71	(68.94)	(92.24)	(14.55)	13.53	5.87	43.54

* Dividends are reported for the year in which they are declared; however, the actual payments are made in the subsequent financial year. Dividends for the financial years 2018–19, 2017–18, and 2016–17 include dividend distribution tax.

BALANCE SHEET AS AT 31 MARCH 2026
(All amounts in Rs. Lakhs unless stated otherwise)

	Note No.	As at 31 March 2026	As at 31 March 2025
Assets			
Non-current assets			
Property, plant and equipment	3	29,119.38	26,344.63
Capital work-in-progress	3	2,329.54	4,228.56
Right of use assets	3	764.07	456.36
Intangible assets	3	3,827.35	5,302.73
Intangible assets under development	3	2,359.88	1,720.24
Financial assets			
- Loans	4A	74.20	151.01
- Other financial assets	5A	328.28	287.72
Income tax assets (net)	6	264.39	433.35
Other non-current assets	7	1,738.45	687.37
Total non-current assets		40,805.54	39,611.97
Current assets			
Inventories	8	66,067.45	57,799.37
Financial assets			
- Trade receivables	9	27,020.98	26,525.31
- Cash and cash equivalents	10	450.85	310.10
- Bank balances other than cash and cash equivalents	11	1,619.25	1,673.48
- Loans	4B	85.45	89.51
- Other financial assets	5B	192.06	219.83
Other current assets	12	3,436.29	3,711.71
Total current assets		98,872.33	90,329.31
Total assets		1,39,677.87	1,29,941.28
Equity and liabilities			
Equity			
Equity share capital	13	1,447.88	1,447.88
Other equity	14	50,486.03	36,818.39
Total equity		51,933.91	38,266.27
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15A	1,064.86	6,255.36
- Lease liabilities	32	667.74	249.09
- Other financial liabilities	16A	1,372.24	1,232.99
Provisions	18A	3,340.04	4,800.74
Deferred tax liabilities (net)	19	2,051.67	1,782.38
Other non-current liabilities	20	276.21	184.37
Total non-current liabilities		8,772.76	14,504.93
Current liabilities			
Financial liabilities			
- Borrowings	15B	26,950.17	25,922.61
- Lease Liabilities	32	228.28	278.25
- Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		3,621.18	3,264.70
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		36,933.37	33,748.00
- Other financial liabilities	16B	1,305.65	2,515.82
Other current liabilities	17	5,857.88	7,900.39
Provisions	18B	4,060.14	3,310.17
Current tax liabilities (net)	22	14.53	230.14
Total current liabilities		78,971.20	77,170.08
Total liabilities		87,743.96	91,675.01
Total equity and liabilities		1,39,677.87	1,29,941.28
Material accounting policy information	2		
Notes to the financial statements	1-51		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of SML Mahindra Limited
(Formerly SML Isuzu Limited)

Pushkar Patwardhan
Chief Financial Officer
ACA: 117347

Parvesh Madan
Company Secretary
ACS: 31266

Vinod Kumar Sahay
Executive Chairman
DIN: 07884268

Dr. Venkataraman Srinivas
Executive Director & CEO
DIN: 11163042

Gaurav Mahajan

Partner

Membership Number: 507857

Place: Mumbai

Date: 20 April 2026

Place: Mumbai

Date: 20 April 2026

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026
(All amounts in Rs. Lakhs unless stated otherwise)

	Note No.	Year ended 31 March 2026	Year ended 31 March 2025
Income:			
Revenue from operations	23	2,83,791.74	2,39,899.28
Other income	24	832.63	605.34
Total income		2,84,624.37	2,40,504.62
Expenses:			
Cost of materials consumed	25	2,13,915.89	1,72,648.34
Purchase of stock-in-trade		10,004.39	8,784.91
Changes in inventories of finished goods, work in progress and stock-in-trade	26	(7,220.26)	778.76
Employee benefits expense	27	22,757.84	20,626.04
Finance costs	28	2,074.58	2,987.90
Depreciation and amortisation expense	29	5,202.78	4,835.31
Other expenses	30	16,493.78	13,605.68
Total expenses		2,63,229.00	2,24,266.94
Profit before tax		21,395.37	16,237.68
Tax expense:			
Current tax	39	5,251.10	331.01
Deferred tax		169.23	3,739.23
Income tax expense		5,420.33	4,070.24
Profit for the year		15,975.04	12,167.44
Other comprehensive income	14		
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		397.56	(193.22)
(ii) Income tax related to items that will not be reclassified to profit or loss		(100.06)	48.63
Other comprehensive income/(loss) for the year, net of tax		297.50	(144.59)
Total comprehensive income for the year		16,272.54	12,022.85
Basic and diluted earnings per share in Rupees	33	110.39	84.08
(Face value of ₹ 10 per share)			
Material accounting policy information	2		
Notes to the financial statements	1-51		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of SML Mahindra Limited
(Formerly SML Isuzu Limited)

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Gaurav Mahajan
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Dr. Venkataraman Srinivas
Executive Director & CEO
DIN: 11163042

Place: Mumbai
Date: 20 April 2026

Place: Mumbai
Date: 20 April 2026

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026
(All amounts in Rs. Lakhs unless stated otherwise)

	Year ended 31 March 2026	Year ended 31 March 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	21,395.37	16,237.68
Adjustments for :		
Depreciation and amortization expense	5,202.78	4,835.31
Unrealised (gain) / loss on foreign exchange fluctuation (net)	(5.48)	11.96
Finance costs	2,074.58	2,987.90
Interest income	(361.26)	(409.84)
Property, plant and equipment written off (net)	25.45	57.59
Net (gain) on sale of property, plant and equipment	(13.92)	(16.19)
Gain on lease modification	(0.96)	(0.22)
Loss allowance for trade receivables	77.09	32.02
Provision for inventories written down	697.31	102.48
Bad debts / advances written off	8.40	15.64
Liabilities/provisions no longer required written back	(113.99)	(72.30)
Operating profit before working capital changes	28,985.37	23,782.03
Working Capital Adjustments:		
(Increase) in Trade receivables	(511.70)	(9,618.69)
(Increase) / Decrease in Inventories	(8,965.39)	71.21
(Increase) in Other non-current and current financial assets	(25.53)	(44.19)
Decrease in Other non-current and current loans	78.67	28.31
Decrease / (Increase) in Other non-current and current assets	221.45	(1,228.01)
Increase in Trade payables	3,541.85	3,830.23
(Decrease) in Non-current and current provisions	(385.26)	(447.77)
(Decrease) / Increase in Other non-current and current financial liabilities	(62.43)	74.00
(Decrease) / Increase in Other non-current and current liabilities	(1,950.67)	1,347.42
CASH GENERATED FROM OPERATIONS	20,926.36	17,794.54
Less: Income tax paid (net)	5,307.16	46.40
NET CASH GENERATED FROM OPERATING ACTIVITIES	15,619.20	17,748.14
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Payment for property, plant and equipment, intangible assets, capital work in progress and intangible assets under development	(7,033.15)	(6,198.24)
Proceeds from sale of property, plant and equipment	22.14	25.39
Investment in bank deposits (including margin money deposit)	(502.64)	(542.28)
Proceeds from maturity of bank deposits (including margin money deposits)	572.89	221.51
Movement in unpaid dividend accounts (net)	(21.01)	-
Interest income received	379.01	399.48
NET CASH (USED IN) INVESTING ACTIVITIES	(6,582.76)	(6,094.14)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026
(All amounts in Rs. Lakhs unless stated otherwise)

	Year ended 31 March 2026	Year ended 31 March 2025
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long-term borrowings taken during the year	2,544.19	5,809.29
Long-term borrowings repaid during the year	(5,829.66)	(2,700.02)
Payment of lease liabilities (Principal)	(172.44)	(195.13)
Payment of lease liabilities (Interest)	(84.68)	(50.27)
Short-term borrowings (repaid) during the year (net)	(877.46)	(12,496.85)
Dividend paid (including payment of unclaimed dividend)	(2,583.89)	(2,323.21)
Withdrawal from unpaid dividend accounts (net)	-	7.76
Finance costs paid	(1,891.75)	(2,877.48)
NET CASH (USED IN) FINANCING ACTIVITIES	(8,895.69)	(14,825.91)
Net increase / (decrease) in cash and cash equivalents	140.75	(3,171.91)
Cash and cash equivalents at the beginning of the year	310.10	3,482.01
Cash and cash equivalents at the end of the year	450.85	310.10
Reconciliation to Cash Flow Statement :-		
1. Components of cash and cash equivalents		
Cash in hand	-	0.33
Balances with banks		
- Bank deposits (original maturity of 3 months or less)	-	175.00
- Current accounts	450.85	134.77
	450.85	310.10
2. The above "Statement of Cash flows" has been prepared as per the Indirect method as set out in Indian Accounting Standard-7, "Statement of Cash Flows".		
3. Refer note 41 (b) of financial statements for reconciliation of movements of liabilities to cash flows arising from financing activities.		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of SML Mahindra Limited
(Formerly SML Isuzu Limited)

Pushkar Patwardhan
Chief Financial Officer
ACA: 117347

Vinod Kumar Sahay
Executive Chairman
DIN: 07884268

Gaurav Mahajan
Partner
Membership Number: 507857

Parvesh Madan
Company Secretary
ACS: 31266

Dr. Venkataraman Srinivas
Executive Director & CEO
DIN: 11163042

Place: Mumbai
Date: 20 April 2026

Place: Mumbai
Date: 20 April 2026

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

(All amounts in Rs. Lakhs unless stated otherwise)

A. Equity share capital	Note	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year		1,447.88	1,447.88
Balance at the end of the year	13	1,447.88	1,447.88

B. Other equity

Particulars	Reserves and surplus			Total other equity
	Securities premium (Refer note 14)	General reserve (Refer note 14)	Retained earnings (Refer note 14)	
Balance as at 1 April 2025	7,452.88	10,202.51	19,163.00	36,818.39
Profit for the year	-	-	15,975.04	15,975.04
Other comprehensive income, net of tax	-	-	297.50	297.50
Total comprehensive income for the year	-	-	16,272.54	16,272.54
Dividend	-	-	(2,604.90)	(2,604.90)
Balance as at 31 March 2026	7,452.88	10,202.51	32,830.64	50,486.03
Balance as at 1 April 2024	7,452.88	10,202.51	9,455.61	27,111.00
Profit for the year	-	-	12,167.44	12,167.44
Other comprehensive income, net of tax	-	-	(144.59)	(144.59)
Total comprehensive income for the year	-	-	12,022.85	12,022.85
Dividend	-	-	(2,315.46)	(2,315.46)
Balance as at 31 March 2025	7,452.88	10,202.51	19,163.00	36,818.39

Description of the nature and purpose of Other Equity:

- Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.
- Profits from retained earnings are transferred to general reserve from time to time for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
- Retained earnings represents the profits that the Company has earned till date less any transfer to general reserve, dividends distributed, or other distributions to shareholders. It also includes other comprehensive income / (loss), net of tax, comprising remeasurement of defined benefit plans.

Material accounting policy information 2
Notes to the financial statements 1-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of SML Mahindra Limited
(Formerly SML Isuzu Limited)

Pushkar Patwardhan
Chief Financial Officer
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Gaurav Mahajan
Partner
Membership Number: 507857

Parvesh Madan
Company Secretary
ACS: 31266

Dr. Venkataraman Srinivas
Executive Director & CEO
DIN: 11163042

Place: Mumbai
Date: 20 April 2026

Place: Mumbai
Date: 20 April 2026

Notes forming part of the financial statements for the year ended 31 March 2026**(All amounts in Rs. Lakhs unless stated otherwise)****1. Reporting entity**

SML Mahindra Limited (Formerly SML Isuzu Limited) ('the Company') is a public Company domiciled in India with its registered office situated at Village: Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India. The Company is primarily engaged in the business of manufacture and sale of Commercial Vehicles and their parts. The Company has its operations primarily in India.

2. Material Accounting Policy Information**(a) Basis of preparation***(i) Statement of compliance*

These financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and, other relevant provisions of the Act.

The financial statements have been prepared as per the requirements of Schedule III (Division II) of the Companies Act, 2013 on accrual and going concern basis.

The financial statements were authorized for issue by the Company's Board of Directors on 20 April 2026.

(ii) Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees. All amounts have been rounded-off to the nearest lakhs, up to two places of decimal, unless otherwise indicated.

(iii) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the net defined benefit (asset) / liability, which is measured at the fair value of the plan assets less the present value of defined benefits obligations as explained in note 2(e).

(iv) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty, critical judgments and assumptions at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities

Notes forming part of the financial statements for the year ended 31 March 2026**(All amounts in Rs. Lakhs unless stated otherwise)**

within the next financial year, are in respect of the below:

- Note 2 (b) and 3 – Assessment of useful life and residual value of Property, plant and equipment
- Note 2 (c) and 3 – Assessment of useful life of Intangible assets
- Note 2 (d) and 8 – Provision on inventory with respect to cost versus net realisable value
- Note 2 (f), 2 (g), 18 A, 18 B and 31 – Provision for warranties, provision for contingencies, and contingent liabilities
- Note 2 (e), 18 (A), 18 (B) and 37 – measurement of defined benefit obligations: key actuarial assumptions
- Note 2 (o) (ii) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2 (o) (i) - Impairment of financial assets: measurement of expected credit losses
- Note 19 and 2 (l) - recognition of deferred tax asset on unabsorbed losses

(v) *Measurement of fair values*

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made while measuring fair values is included in note 38 – financial instruments.

(vi) *Current / Non-Current classification*

The operating cycle is the time between deployment of resources and the realization in cash or cash equivalents of the consideration for such services rendered, the Company's normal operating cycle is twelve months.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

(b) Property, plant and equipment ('PPE')

(i) Recognition, measurement and derecognition

Property, plant and equipment (including capital work in progress) are measured at cost, which includes capitalised borrowing costs attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use, less accumulated depreciation and/ or accumulated impairment losses, if any. The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if 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.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the asset can be measured reliably.

(iii) Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the Statement of Profit and Loss. Freehold land is measured at historical cost and is not depreciated.

Depreciation on items of PPE is calculated on the basis estimated useful lives as specified below:

Particulars	Management estimate of useful life (Years)	Useful life as per Schedule II of the Companies Act, 2013 (Years)
Buildings	3-60	3-60
Office equipment	2-10	5
Furniture and fixtures	3-10	10
Vehicles	4-10	8-10
Plant and equipment	2-35	15-35
Computers	3-6	3-6

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

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.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. The comparison of cost and NRV is made on an item by item basis.

(e) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages, short term compensated absences and bonus etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

- Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. The Company makes specified contributions towards these schemes such as Superannuation Fund, Provident Fund and Employee State Insurance. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

- Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset)

Notes forming part of the financial statements for the year ended 31 March 2026**(All amounts in Rs. Lakhs unless stated otherwise)**

during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Other long-term employee benefits*Compensated absences

The Company's net obligations in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Obligations such as those related to compensated absences are measured on the basis of an annual independent actuarial valuation using the projected unit cost credit method. The employees can carry forward unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof as per the Company's policy. Remeasurement gains or losses are recognised in the Statement of Profit and Loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet to the extent that the company does not have right to defer the settlement for at least twelve months after the reporting date.

(f) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Expected future operating losses are not provided for.

Provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities. The timing of outflows will vary as and when warranty claim will arise

(g) Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Notes forming part of the financial statements for the year ended 31 March 2026**(All amounts in Rs. Lakhs unless stated otherwise)**

A contingent asset is disclosed where an inflow of economic benefits is probable.

(h) Commitments

Commitments include the amount of purchase order / contracts (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

(i) Revenue***Sale of goods or services***

Revenue from sale of goods is recognised upon satisfaction of the performance obligation which is at a point in time, generally on delivery of the goods, when control of the goods is transferred to customers. Consideration received for services not yet rendered and for which the Company has an obligation to perform is recognised as revenue received in advance and subsequently recognised as revenue in the Statement of Profit and Loss over the period of the contract.

The Company recognises revenue from sale of goods or services at the amount of transaction price (excluding variable consideration that is constrained), that is allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of third parties.

An amount of consideration can vary because of discounts, rebates, incentives etc. which are explicitly stated in the contract or are as per customary business practices. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The Company includes variable consideration as part of transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

Variable consideration is estimated using the expected value method or the most likely amount depending on which method the Company expects to better predict the amount of consideration to which it will be entitled and is applied consistently throughout the contract.

Royalty income

Revenue from royalty is recognised on accrual basis as per the terms of agreement entered into with the respective parties.

(j) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial

Notes forming part of the financial statements for the year ended 31 March 2026**(All amounts in Rs. Lakhs unless stated otherwise)**

asset to that asset's net carrying amount on initial recognition. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

(k) Borrowing Costs

Borrowing costs includes interest and other costs (including exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(l) Income Tax

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax asset is recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Therefore, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefits will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Notes forming part of the financial statements for the year ended 31 March 2026**(All amounts in Rs. Lakhs unless stated otherwise)**

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(m) Leases**As a lessee**

The Company's lease asset classes primarily consist of leases for Buildings and Plant and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date. These are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the Company. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Notes forming part of the financial statements for the year ended 31 March 2026**(All amounts in Rs. Lakhs unless stated otherwise)**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

(n) Financial Instruments*i) Recognition and initial measurement*

Trade receivables are initially recognised at their transaction price. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivables) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

*ii) Classification and subsequent measurement**Financial assets*

On initial recognition, a financial asset is classified as measured at:

- a. Amortised cost; or
- b. Fair value through profit and loss ('FVTPL')

Financial assets are not reclassified subsequent to their initial recognition, except if the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Financial assets: Subsequent measurement and gains and losses.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL, if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

iii) *De-recognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or if it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

iv) *Offsetting*

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(o) **Impairment**

i) *Impairment of financial assets*

The Company recognises loss allowances for expected credit loss (ECL) on financial assets measured at amortised cost. At each reporting date, the Company assesses whether the credit risk on such financial assets has increased significantly since initial recognition.

The Company measures loss allowances at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, it is measured at an amount equal to 12-month ECL.

Notes forming part of the financial statements for the year ended 31 March 2026**(All amounts in Rs. Lakhs unless stated otherwise)**

With respect to trade receivables, the Company follows the 'simplified approach' and measures the loss allowance at an amount equal to lifetime ECL.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit or loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

(q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments 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 changes in value.

(r) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(s) Earnings per share

Basic earnings per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

(t) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 13 August 2025, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, applicable from 1 April 2026, as below:

Ind AS 1 - Presentation of Financial Statements - If a covenant breach occurs on or before the reporting date and the liability becomes payable on demand, it must be classified as current, even if the lender subsequently agrees not to demand repayment. It is classified as current because, at the reporting date, the entity does not have the right to defer settlement for at least 12 months. However, if the lender has already provided—by the reporting date—a grace period extending at least 12 months beyond that date, during which the breach can be rectified and repayment cannot be demanded, the liability is classified as non-current. The Company has evaluated the amendment and does not expect this amendment to have any significant impact in its financial statements.

This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Note 3

Property, plant and equipment (PPE) and capital work in progress *

	Freehold Land**	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Total	Capital Work in Progress ^
GROSS BLOCK									
Balance as at 1 April 2024	48.74	12,842.17	32,813.82	1,330.59	348.36	1,153.76	1,313.05	49,850.49	257.39
Add: Additions during the year	-	450.34	1,758.23	101.30	38.06	189.23	158.47	2,695.63	6,179.74
Less: Disposals	-	41.44	283.86	132.75	17.07	148.41	114.82	738.35	2,208.57
Balance as at 31 March 2025	48.74	13,251.07	34,288.19	1,299.14	369.35	1,194.58	1,356.70	51,807.77	4,228.56
Add: Additions during the year	-	643.17	5,112.96	121.40	60.83	70.53	141.36	6,150.25	3,857.11
Less: Disposals	-	3.60	170.34	3.33	23.58	154.37	17.58	372.80	5,756.13
Balance as at 31 March 2026	48.74	13,890.64	39,230.81	1,417.21	406.60	1,110.74	1,480.48	57,585.22	2,329.54
ACCUMULATED DEPRECIATION									
Balance as at 1 April 2024	-	4,234.16	15,677.33	1,108.11	307.52	860.33	943.64	23,131.09	-
Add: Charge during the year	-	570.36	2,088.53	57.10	16.08	110.18	170.01	3,012.26	-
Less: Disposals	-	11.35	260.80	132.62	17.07	144.10	114.27	680.21	-
Balance as at 31 March 2025	-	4,793.17	17,505.06	1,032.59	306.53	826.41	999.38	25,463.14	-
Add: Charge during the year	-	579.08	2,362.77	57.92	24.80	133.49	185.97	3,344.03	-
Less: Disposals	-	0.68	150.19	3.27	23.46	146.15	17.58	341.33	-
Balance as at 31 March 2026	-	5,371.57	19,717.64	1,087.24	307.87	813.75	1,167.77	28,465.84	-
NET BLOCK									
Balance as at 31 March 2025	48.74	8,457.90	16,783.13	266.55	62.82	368.17	357.32	26,344.63	4,228.56
Balance as at 31 March 2026	48.74	8,519.07	19,513.17	329.97	98.73	296.99	312.71	29,119.38	2,329.54

Intangible assets

	Softwares Acquired	Technical know-how-Developed	Total	Intangible assets under development ^
GROSS BLOCK				
Balance as at 1 April 2024	1,085.17	11,493.36	12,578.53	800.79
Add: Additions during the year #	55.58	42.85	98.43	1,017.88
Less: Disposals	-	20.83	20.83	98.43
Balance as at 31 March 2025	1,140.75	11,515.38	12,656.13	1,720.24
Add: Additions during the year #	88.00	61.00	149.00	788.64
Less: Disposals	-	-	-	149.00
Balance as at 31 March 2026	1,228.75	11,576.38	12,805.13	2,359.88

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

	Softwares Acquired	Technical know-how- Developed	Total	Intangible assets underdevelopment [^]
ACCUMULATED AMORTISATION				
Balance as at 1 April 2024	774.70	4,973.66	5,748.36	-
Add: Charge during the year	107.87	1,509.36	1,617.23	-
Less: Disposals	-	12.19	12.19	-
Balance as at 31 March 2025	882.57	6,470.83	7,353.40	-
Add: Charge during the year	107.70	1,516.68	1,624.38	-
Less: Disposals	-	-	-	-
Balance as at 31 March 2026	990.27	7,987.51	8,977.78	-
NET BLOCK				
Balance as at 31 March 2025	258.18	5,044.55	5,302.73	1,720.24
Balance as at 31 March 2026	238.49	3,588.87	3,827.35	2,359.88

Right of use assets

	Buildings	Plant and equipment	Total
GROSS BLOCK			
Balance as at 1 April 2024	819.80	558.48	1,378.28
Add: Additions during the year	112.96	49.69	162.65
Less: Disposals	55.51	23.80	79.31
Balance as at 31 March 2025	877.25	584.37	1,461.62
Add: Additions during the year	521.30	44.01	565.31
Less: Disposals	767.41	-	767.41
Balance as at 31 March 2026	631.14	628.38	1,259.52
ACCUMULATED DEPRECIATION			
Balance as at 1 April 2024	578.13	299.37	877.50
Add: Charge during the year	128.48	77.34	205.82
Less: Disposals	54.26	23.80	78.06
Balance as at 31 March 2025	652.35	352.91	1,005.26
Add: Charge during the year	164.79	69.58	234.37
Less: Disposals	744.18	-	744.18
Balance as at 31 March 2026	72.96	422.49	495.45
NET BLOCK			
Balance as at 31 March 2025	224.90	231.46	456.36
Balance as at 31 March 2026	558.18	205.89	764.07

Notes:

- * Refer note 15 for information with regard to PPE pledged as security by the Company.
- ** Title deeds of all immovable properties are held in the name of the Company.
- # Additions during the year includes capitalised borrowing costs of Rs. 81.43 lakhs (previous year Rs. 77.85 lakhs) in intangible assets under development, with a capitalisation rate of 7.49% (previous year 8.82%).
- [^] Disposals included in capital work-in-progress / intangible assets under development represents assets capitalised during the year.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Capital work in progress ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026*					
Projects in progress**	2,262.99	24.57	0.28	41.70	2,329.54
As at 31 March 2025*					
Projects in progress**	4,176.44	9.25	39.56	3.31	4,228.56

Intangible assets under development ageing schedule (IAUD)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026*					
Projects in progress**	657.34	910.87	568.58	223.09	2,359.88
As at 31 March 2025*					
Projects in progress**	925.57	571.58	223.09	-	1,720.24

Notes:

* There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2026 and 31 March 2025.

** Capital work in progress comprises expenditure for buildings under construction, plant and equipments yet to be installed and intangible assets under development mainly consists of new technical knowhow.

Note 4

	As at 31 March 2026	As at 31 March 2025
LOANS *		
(Unsecured considered good unless stated otherwise)		
A. Non-current		
Loan to employees	74.20	151.01
	<u>74.20</u>	<u>151.01</u>
B. Current		
Loan and advances to employees	85.45	89.51
	<u>85.45</u>	<u>89.51</u>
	<u>159.65</u>	<u>240.52</u>

* The Company's exposure to credit and market risks related to financial assets are disclosed in note 38.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Note 5

	As at 31 March 2026	As at 31 March 2025
OTHER FINANCIAL ASSETS *		
A. Non-current		
Other bank balances:		
- Bank deposits **	184.53	118.41
Bank deposits held as margin money^	-	64.95
Earmarked balances with banks #	3.83	-
Interest accrued but not due on bank deposits	4.93	5.84
Security deposits	134.99	98.52
	328.28	287.72
B. Current		
Interest accrued but not due on deposits	21.00	37.84
Royalty income receivable	69.26	52.11
Export incentive receivable	64.45	76.05
Security deposits	37.35	53.83
	192.06	219.83
	520.34	507.55

* The Company's exposure to credit and market risks related to financial assets are disclosed in note 38.

These balances are earmarked to meet certain employee related contingencies and not freely usable.

^ These balances are held as margin money against bank guarantees.

** includes restricted bank deposits amounting to Rs. 184.53 lakhs (previous year Rs. 117.41 lakhs) held as security in relation to interest and repayment of bank borrowings and Nil (previous year Rs. 1 lakh) held as security against overdraft account.

Note 6

	As at 31 March 2026	As at 31 March 2025
INCOME TAX ASSETS (NET)		
Advance income-tax and tax deducted at source (net of provision for income tax)	264.39	433.35
	264.39	433.35

Note 7

	As at 31 March 2026	As at 31 March 2025
OTHER NON-CURRENT ASSETS		
(Unsecured considered good unless stated otherwise)		
Balance with government authorities	-	13.91
Capital advances	1,428.75	436.48
Prepaid expenses and other advances	58.71	86.53
Amount paid under protest to government authorities		
- Income tax	128.59	119.17
- Sales tax/VAT/GST		
Considered good	121.06	29.94
Considered doubtful	181.53	-
Less: Allowance for doubtful advances	181.53	-
	121.06	29.94
- Excise duty	1.34	1.34
	1,738.45	687.37

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Note 8

	As at 31 March 2026	As at 31 March 2025
INVENTORIES**		
(valued at cost or net realisable value, whichever is lower)		
Raw materials*	15,090.91	14,154.47
Work-in-progress	15,688.64	8,239.08
Finished goods (vehicles)*	34,222.16	34,306.11
Stock-in-trade (spare parts)*	721.70	867.05
Stores and spares*	325.90	218.39
Loose tools*	18.14	14.27
	66,067.45	57,799.37
* Includes goods / stock-in-transit:		
- Raw materials	1,467.77	1,386.30
- Finished goods (vehicles)	5,333.78	7,595.78
- Stock-in-trade (spare parts)	58.48	38.70
- Stores and spares	1.49	3.89
- Loose tools	0.32	2.20

** For disclosure relating to hypothecation of inventory, refer to note 15 B

Note:

The net inventory written down during the year amounted to Rs. 697.31 lakhs (previous year Rs. 102.48 lakhs)

Note 9

	As at 31 March 2026	As at 31 March 2025
TRADE RECEIVABLES * #		
Trade receivables considered good - secured	531.47	539.25
Trade receivables considered good - unsecured	26,603.01	26,022.96
Trade receivables - credit impaired	196.03	196.03
	27,330.51	26,758.24
Less: Allowance for expected credit losses	309.53	232.93
	27,020.98	26,525.31

* The Company's exposure to credit and market risks related to financial assets are disclosed in note 38.

Trade receivables is part of contract balances as per Ind AS 115. These are non-interest bearing and are generally on terms of 7 to 90 days [refer credit risk note 38 (A) (II)].

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Trade Receivables ageing schedule

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026								
(i) Undisputed trade receivables - considered good	-	20,426.09	6,639.95	3.33	34.66	30.45	-	27,134.48
(ii) Disputed trade receivables - credit impaired	-	-	-	-	-	-	196.03	196.03
Sub total	-	20,426.09	6,639.95	3.33	34.66	30.45	196.03	27,330.51
Less: Allowance for expected credit losses								309.53
Total								27,020.98
As at 31 March 2025								
(i) Undisputed trade receivables - considered good	-	20,518.48	5,140.05	846.95	30.45	26.28	-	26,562.21
(ii) Disputed trade receivables - credit impaired	-	-	-	-	-	-	196.03	196.03
Sub total	-	20,518.48	5,140.05	846.95	30.45	26.28	196.03	26,758.24
Less: Allowance for expected credit losses								232.93
Total								26,525.31

Note 10

	As at 31 March 2026	As at 31 March 2025
CASH AND CASH EQUIVALENTS *		
Balances with banks		
- in deposit accounts (original maturity of three months or less)	-	175.00
- in current accounts	450.85	134.77
Cash on hand	-	0.33
	450.85	310.10

* The Company's exposure to credit and market risks related to financial assets are disclosed in note 38.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Note 11

	As at 31 March 2026	As at 31 March 2025
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS *		
Bank deposits**	213.31	357.37
Balance in unpaid dividend accounts	49.90	28.89
Bank deposits held as margin money ^	1,318.07	1,247.63
Earmarked balances with banks #	37.97	39.59
	<u>1,619.25</u>	<u>1,673.48</u>

* The Company's exposure to credit and market risks related to financial assets are disclosed in note 38.

These balances are earmarked to meet certain employee related contingencies and not freely usable.

^ These balances are held as margin money against bank guarantees [also refer footnote *** (i) to note 18].

** Includes restricted bank deposits amounting to Rs. 213.06 lakhs (previous year Rs. 357.37 lakhs) held as security in relation to interest and repayment of bank borrowings and Rs. 0.25 lakhs (previous year Nil) held as security with Consumer Disputes Redressal Commission.

Note 12

	As at 31 March 2026	As at 31 March 2025
OTHER CURRENT ASSETS		
(Unsecured considered good unless stated otherwise)		
Balance with government authorities	2,620.60	3,081.13
Advances for supply of goods	243.14	147.14
Prepaid expenses and other advances*	572.55	483.44
	<u>3,436.29</u>	<u>3,711.71</u>

* includes an amount of Rs. 49.81 lakhs representing excess spent of Corporate Social Responsibility as at 31 March 2026.

Note 13

	As at 31 March 2026	As at 31 March 2025
EQUITY SHARE CAPITAL		
1. Details of Share Capital		
	<u>Amount</u>	<u>Amount</u>
Authorised		
4,00,00,000 Equity shares of Rs. 10 each	4,000.00	4,000.00
(Previous year 4,00,00,000 Equity shares of Rs. 10 each)	4,000.00	4,000.00
Issued, subscribed and paid up		
1,44,71,646 Equity shares of Rs. 10 each fully paid up	1,447.17	1,447.17
(previous year 1,44,71,646 Equity shares of Rs. 10 each fully paid up)*		
Forfeited equity shares of Rs.10 each	0.71	0.71
	<u>1,447.88</u>	<u>1,447.88</u>

* Includes 100 (previous year 100) equity shares of Rs. 10 each, fully paid up, held by a non resident indian ('NRI') for which approval from the Reserve Bank of India is pending.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

2. Rights, preferences and restrictions attached to the equity shares :-

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, if any, in proportion to the number of equity shares held.

3. Details of shares held by Holding Company / and their subsidiaries:

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Mahindra & Mahindra Limited	85,33,726	-	-	-

4. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning and at the end of the year	1,44,71,646	1,447.17	1,44,71,646	1,447.17

5. Details of promoters shareholding

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of shares held	% of total shares	
31 March 2026			
1. Mahindra & Mahindra Limited	85,33,726	58.97%	58.97%
31 March 2025			
1. Sumitomo Corporation, Japan	63,62,306	43.96%	(43.96%)

6. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of shares	% of equity shares held	No. of shares	% of equity shares held
Mahindra & Mahindra Limited	85,33,726	58.97%	-	-
Sumitomo Corporation, Japan	-	-	63,62,306	43.96%
Isuzu Motors Limited	-	-	21,70,747	15.00%
Navodya Enterprises (Sachin Bansal & Vivek Bansal partner of Navodya Enterprises) [refer note below]	-	-	13,29,000	9.18%
SPV Traders (Sachin Bansal - partner of SPV Traders) [refer note below]	-	-	9,31,000	6.43%

Note: As per the declaration submitted by Navodya Enterprises under SEBI (SAST) Regulations, 2011 :

- As on 31st March 2026, Navodya Enterprises (Acquirer) along with Person Acting in Concert (PAC) - SPV Traders, Anandam Enterprises, Sapna Gupta and Sachin Bansal, holds 18,15,639 shares (12.5462%).
- As on 31st March 2025, Navodya Enterprises (Acquirer) along with Person Acting in Concert (PAC) - SPV Traders, Anandam Enterprises, Sapna Gupta and Sachin Bansal, held 29,15,100 shares (20.1435%).

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

7. Shares reserved for issue and details of shares allotted in the last five years:

There are no shares reserved for issue under options and contracts/commitments. Further, there are no shares that have been allotted during last 5 years pursuant to a contract without payment being received in cash, or by way of bonus shares or shares bought back.

Note 14

	As at 31 March 2026	As at 31 March 2025
OTHER EQUITY		
i. Securities premium		
Balance at the beginning of the year	7,452.88	7,452.88
Add: Movement during the year	-	-
Balance at the end of the year	7,452.88	7,452.88
ii. General reserve		
Balance at the beginning of the year	10,202.51	10,202.51
Add : Amount transferred from surplus	-	-
Balance at the end of the year	10,202.51	10,202.51
iii. Retained earnings		
Balance at the beginning of the year	19,163.00	9,455.61
Add: Profit for the year	15,975.04	12,167.44
Add: Other comprehensive income / (loss), net of tax	297.50	(144.59)
Less: Dividend	2,604.90	2,315.46
Balance at the end of the year	32,830.64	19,163.00

Note 15

	As at 31 March 2026	As at 31 March 2025
BORROWINGS *		
A. Non-current		
Term loan		
- From banks - secured **	6,388.07	9,673.54
Less: Current maturities of term loan [refer note 15 (B)]	(5,323.21)	(3,418.18)
	1,064.86	6,255.36

* The Company's exposure to liquidity and market risks related to financial liabilities are disclosed in note 38.

** includes the following:-

- (i) outstanding term loan - 1 of Nil (previous year Rs. 300 lakhs), carrying variable interest rate of 1 year MCLR + 0.10%, repayable in quarterly instalments commencing from 31 December 2022 and ending on 31 December 2025. The lender has exclusive charge on the fixed assets of the Company which are created through this term loan. The lender also has negative lien on fixed assets of the Company (excluding fixed assets exclusively charged for this loan).
- (ii) outstanding term loan - 2 of Nil (previous year Rs. 45.70 lakhs), carrying variable interest rate of 1 month MCLR + 0.15% / 3 months MCLR + 0.25%, repayable in monthly instalments commencing from 5 August 2022 and ending on 5 April 2025. The lender has exclusive charge on movable fixed assets (Plant and Machinery) of the project.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

- (iii) outstanding term loan - 3 of Rs. 2,281 lakhs (previous year Rs. 3,531 lakhs), carrying variable interest rate of 3 months T bill rate + 1.72% for disbursements upto 30 April 2023 and 3 months T bill rate + 1.97% for disbursements from 1 May 2023 onwards, repayable in quarterly instalments commencing from 1 April 2024 and ending on 1 January 2028. The lender has first charge on movable fixed assets of the Company, giving a minimum cover of 1.25 times of the loan amount (excluding those movable fixed assets which are exclusively charged to other lenders).
- (iv) outstanding term loan - 4 of Rs. 670 lakhs (previous year Rs. 1,334 lakhs), carrying variable interest rate of 1 year MCLR + 0.10%, repayable in quarterly instalments commencing from 31 March 2025 and ending on 31 March 2027. The lender has exclusive charge on the fixed assets of the Company which are created through this term loan specifically. The lender also has negative lien on fixed assets of the Company (excluding fixed assets exclusively charged for this loan).
- (v) outstanding term loan - 5 of Rs. 3,201 lakhs (previous year Rs. 3,200 lakhs), carrying variable interest rate of based on Repo rate ranging 7.25% to 8.25% (previous year 8.25% to 8.50%), repayable in quarterly instalments commencing from 30 September 2025 and ending on 30 June 2028. The lender has first exclusive charge on the fixed assets of the Company being funded from the term loan of Axis bank. The lender also has negative lien on fixed assets of the Company (excluding fixed assets exclusively charged for this loan).
- (vi) outstanding working capital term loan of Nil (previous year Rs. 1,000 lakhs), carrying variable interest rate of 1 month MCLR without spread at 8.35%, repayable in ten quarterly instalments commencing from 20 August 2025 and ending on 20 November 2027. The lender has equitable mortgage (first and exclusive) of Industrial Unit (Land and Building) located at village Asron, Shahid Bhagat Singh Nagar, Punjab.
- (vii) outstanding term loans for vehicles Rs. 112.53 lakhs (previous year Rs. 158.54 lakhs), carrying fixed interest rate ranging from 8.75% to 9.50% per annum (previous year 8.75% to 9.50% per annum), repayable in monthly instalments commencing from 10 April 2023 and ending on 5 March 2029. The lender has exclusive charge on vehicle financed by such loan.
- (viii) outstanding term loans for vehicles Rs. 123.54 lakhs (previous year Rs. 104.31 lakhs), carrying floating interest rate (Repo rate+Spread) presently ranging from 8.50% to 8.85% (previous year 8.80% to 8.85%), repayable in monthly instalments commencing from 15 August 2024 and ending on 15 March 2030. The lender has exclusive charge on vehicle financed by such loan.

	As at 31 March 2026	As at 31 March 2025
B. Current		
Loans repayable on demand		
Cash credit from banks - secured (i) *	5,125.78	3.17
Other loans from banks - secured (ii) *	16,500.00	18,750.00
Other loans from banks - unsecured (iii)	1.18	3,751.26
Current maturities of term loan [refer to note 15(A)]	5,323.21	3,418.18
	26,950.17	25,922.61

- (i) The cash credit limits sanctioned by the bankers are secured by a parri passu charge on the Company's current assets. These carry floating interest rate ranging from 8.50% to 9.20% per annum during 2025-26 (previous year 9.10% to 9.25% per annum).
- (ii) Other loans from banks – secured represents working capital demand loan taken from various banks, secured by parri passu charge or first pari-passu charge on current assets of the Company. These carry an interest rate ranging from 6.40% to 8.55% per annum (previous year 7.85% to 8.58% per annum).
- (iii) Other loans from banks – unsecured represents working capital demand loan, working capital loan and credit card facility taken from various banks. These loans carry an interest rate ranging from 6.80% to 7.53% per annum (previous year 7.97% to 8.22% per annum).

* The Company has borrowings from banks on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Note 16

	As at 31 March 2026	As at 31 March 2025
OTHER FINANCIAL LIABILITIES *		
A. Non-current		
Security deposits from dealers	1,372.24	1,232.99
	<u>1,372.24</u>	<u>1,232.99</u>
B. Current		
Capital creditors [^]	553.37	1,552.18
Unpaid dividends	49.90	28.89
Interest accrued but not due on borrowings	49.53	73.21
Payable to employees	459.90	644.83
Payable to non-executive directors (refer note 36)	55.96	87.50
Security deposit from others	136.99	129.21
	<u>1,305.65</u>	<u>2,515.82</u>

* The Company's exposure to liquidity and market risks related to financial liabilities are disclosed in note 38.

[^] For disclosures relating to Micro Enterprises and Small Enterprises, refer to note 21.

Note 17

	As at 31 March 2026	As at 31 March 2025
OTHER CURRENT LIABILITIES		
Advance from customers	3,813.51	3,366.16
Revenue received in advance	452.03	358.85
Statutory dues	1,592.34	4,175.38
	<u>5,857.88</u>	<u>7,900.39</u>

CONTRACT BALANCES*

Contract liability comprises of consideration received from customers against which goods/services are yet to be provided, is disclosed as under:

	As at 31 March 2026	As at 31 March 2025
Advance from customers	3,813.51	3,366.16
Revenue received in advance (current)	452.03	358.85
Revenue received in advance (non-current) [refer note 20]	276.21	184.37
	<u>4,541.75</u>	<u>3,909.38</u>

* During the year, the Company recognised revenue of Rs. 3,270.54 lakhs (previous year Rs. 2,042.20 lakhs) and adjusted Rs. 95.62 lakhs (previous year Rs. 67.82 lakhs), relating to advance from customers, against dealer claims. Further, Rs. 358.85 lakhs (previous year Rs. 341.61 lakhs) was recognised from revenue received in advance included within contract liabilities at the beginning of the year. The closing balance of contract liabilities as at the year end, comprising revenue received in advance and advances from customers, will be recognised as revenue over a period of one to three years.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Note 18

	As at 31 March 2026	As at 31 March 2025
PROVISIONS		
A. Non-current		
Provisions for employee benefits (refer note 37)		
Gratuity	787.40	752.46
Compensated absences	1,472.64	3,209.62
	2,260.04	3,962.08
Other provisions		
Provision for warranties*	1,080.00	838.66
	3,340.04	4,800.74
B. Current		
Provisions for employee benefits (refer note 37)		
Gratuity	-	-
Compensated absences	912.84	547.75
Superannuation	95.30	84.46
	1,008.14	632.21
Other provisions		
Provision for warranties*	1,803.42	1,372.95
Provision for liquidated damages**	4.26	18.07
Provision for contingencies ***	1,244.32	1,286.94
	3,052.00	2,677.96
	4,060.14	3,310.17

Movement of Other Provisions

Particulars	Warranties*	Liquidated Damages**	Contingencies***
Balance as on 1 April 2024	1,798.87	24.08	1,275.06
Add: Accrued / (reversed) during the year [net] #	1,086.73	3.32	11.88
Less: Amount utilized during the year	720.44	9.33	-
Add: Unwinding of discount	46.45	-	-
Balance as on 31 March 2025	2,211.61	18.07	1,286.94
Add: Accrued / (reversed) during the year [net] #	1,359.22	31.54	(32.62)
Less: Amount utilized during the year	757.32	45.34	10.00
Add: Unwinding of discount	69.91	-	-
Balance as on 31 March 2026	2,883.42	4.26	1,244.32

net of reversal of unutilised provisions during the year for warranty Rs. 7.89 lakhs (previous year Rs. 6.50 lakhs), liquidated damages Rs.5.75 lakhs (previous year Rs.6.77 lakhs) and contingencies Rs. 32.62 lakhs (previous year Nil).

* The Company is liable towards warranty claims made by end users of its products. The year-end provision is based on its estimate of past experience regarding failure trends of products and costs of repair or replacement. It is estimated that the provision would be fully utilised over the warranty period, which range from two to five years.

** Represents provision for liquidated damages as per the contracts entered with the customers and expected to be utilised within one year from the reporting date.

*** Represents provision for contingencies pertaining to estimated outflow in respect of litigations and disputes. While the timing and amount of cash outflows is determinable only on occurrence of future uncertain events, the Company expects outflow within one year from the reporting date. It includes:

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

- (i) contingencies pertaining to arbitration award received by the company amounting to Rs. 1,152.44 lakhs. In September 2010, the Company had initiated arbitration proceedings against the Delhi Metro Railway Corporation (DMRC) seeking compensation for losses due to cancellation of a contract. The Company had won an arbitral award in August 2014 allowing claims of Rs. 1,152.44 lakhs which was challenged by DMRC before Hon'ble High Court of Delhi ('High Court'). During the year ended 31 March 2024, the Company had filed an Execution Petition before High Court for enforcement of Arbitration Award and High Court directed the release of the said amount to the Company, subject to satisfaction of the Registrar General on submission of security. The amount of Rs. 1,152.44 lakhs was released to the Company on 30 March 2024, upon furnishing bank guarantee. The management is expecting a favorable outcome based on the evaluation of the case. As the case filed by DMRC is presently sub-judice and bank guarantee had been furnished, the management recorded a provision for contingencies of Rs. 1,152.44 lakhs in the financial statements during the year ended 31 March 2024.
- (ii) contingencies pertaining to sales tax and consumer court case amounting to Rs. 91.88 lakhs (previous year Rs. 134.50 lakhs).

Note 19

	As at 31 March 2026	As at 31 March 2025
DEFERRED TAX ASSETS (NET) *		
Deferred tax liabilities	3,301.14	3,332.44
Deferred tax assets	(1,249.47)	(1,550.06)
	<u>2,051.67</u>	<u>1,782.38</u>

* Refer note 39 for details of deferred tax liabilities and assets

Note 20

	As at 31 March 2026	As at 31 March 2025
OTHER NON-CURRENT LIABILITIES		
Revenue received in advance (refer note 17)	276.21	184.37
	<u>276.21</u>	<u>184.37</u>

Note 21

	As at 31 March 2026	As at 31 March 2025
TRADE PAYABLES *#		
Total outstanding dues of micro enterprises and small enterprises	3,621.18	3,264.70
Total outstanding dues of creditors other than micro enterprises and small enterprises **	36,933.37	33,748.00
	<u>40,554.55</u>	<u>37,012.70</u>

* The Company's exposure to liquidity and market risks related to financial liabilities are disclosed in note 38.

** includes Rs. 210.14 lakhs (previous year Rs. 9.70 lakhs) payable to related parties (refer note 36).

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under:

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Particulars	As at 31 March 2026	As at 31 March 2025
(a) The amounts remaining unpaid to micro enterprises and small enterprises as at the end of the year		
- Principal ^	3,911.31	3,338.93
- Interest	0.46	-
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	-	-
(c) The amounts of the payments made to micro enterprises and small enterprises beyond the appointed day during each accounting year	-	-
(d) The amount of interest due and payable for the period (where the principal has been paid but interest under the Micro Small and Medium Enterprises Development Act, 2006 not paid)	0.46	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.46	-
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Micro, Small and Medium Enterprises Development Act, 2006	0.46	-

^ includes Rs. 290.59 lakhs (previous year Rs. 74.23 lakhs) pertaining to capital creditors (refer note 16 B)

Ageing of trade payables

Particulars	Unbilled dues*	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026							
(i) MSME	449.26	3,168.82	-	-	-	-	3,618.08
(ii) Others	5,250.84	22,613.75	8,970.48	46.74	10.64	40.92	36,933.37
(iii) Disputed dues – MSME	0.27	-	2.83	-	-	-	3.10
Total	5,700.37	25,782.57	8,973.31	46.74	10.64	40.92	40,554.55
As at 31 March 2025 #							
(i) MSME	17.89	3,246.81	-	-	-	-	3,264.70
(ii) Others	2,634.87	22,917.70	8,065.89	50.87	64.12	14.55	33,748.00
Total	2,652.76	26,164.51	8,065.89	50.87	64.12	14.55	37,012.70

* includes dues recognised on account of provisions at the year end.

there are no disputed trade payables as at 31 March 2025.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Note 22

	As at 31 March 2026	As at 31 March 2025
CURRENT TAX LIABILITIES (NET)		
Provision for income tax (net of advance tax and tax deducted at source)	14.53	230.14
	<u>14.53</u>	<u>230.14</u>

Note 23

	Year ended 31 March 2026	Year ended 31 March 2025
REVENUE FROM OPERATIONS *		
Sale of products (Recognised at a point in time)		
Finished goods - vehicles	2,65,705.45	2,24,402.26
Traded goods - spare parts	15,761.68	13,467.34
Rendering of services (Recognised over a period of time)	426.74	-
	<u>2,81,893.87</u>	<u>2,37,869.60</u>
Other operating revenues ^		
Sale of scrap	1,068.36	914.86
Rendering of services (Recognised over a period of time)	-	388.61
Export incentives	258.16	169.94
Royalty	571.35	483.97
Liabilities/provisions no longer required written back	-	72.30
	<u>1,897.87</u>	<u>2,029.68</u>
	<u>2,83,791.74</u>	<u>2,39,899.28</u>

* For disaggregation of revenue, refer to note 34.

^ Other operating revenues have been recognised at a point in time for the year ended 31 March 2026 and 31 March 2025, except revenue from rendering of services which is recognised over a period of time.

Reconciliation of revenue recognised with contract price:

Contracted Price	2,86,066.10	2,41,279.20
Less: Adjustment on account of incentives and discounts	4,172.23	3,409.60
Revenue from contract with customers	<u>2,81,893.87</u>	<u>2,37,869.60</u>

Note 24

	Year ended 31 March 2026	Year ended 31 March 2025
OTHER INCOME		
Interest income on		
Bank deposits carried at amortised cost	127.51	136.88
Refund of Income Tax	34.42	18.48
Others *	199.33	254.48
Net gain on sale of property, plant and equipment	13.92	16.19
Exchange gain on foreign exchange fluctuations (net)	155.09	93.83
Liabilities/provisions no longer required written back	113.99	-
Miscellaneous	188.37	85.48
	<u>832.63</u>	<u>605.34</u>

* includes interest recovered from dealers Rs. 178.50 lakhs (previous year Rs. 229.07 lakhs)

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Note 25

	Year ended 31 March 2026	Year ended 31 March 2025
COST OF MATERIALS CONSUMED		
Inventory of materials at the beginning of the year	14,154.47	13,538.79
Add: Purchase of materials	2,14,852.33	1,73,264.02
	<u>2,29,006.80</u>	<u>1,86,802.81</u>
Inventory of materials at the end of the year	15,090.91	14,154.47
	<u>2,13,915.89</u>	<u>1,72,648.34</u>

Note 26

	Year ended 31 March 2026	Year ended 31 March 2025
CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
Opening stock		
- Finished goods (Vehicles)	34,306.11	37,441.96
- Stock-in-trade (Spare parts)	867.05	881.57
- Work-in-progress	8,239.08	5,867.47
	<u>43,412.24</u>	<u>44,191.00</u>
Less : Closing stock		
- Finished goods (Vehicles)	34,222.16	34,306.11
- Stock-in-trade (Spare parts)	721.70	867.05
- Work-in-progress	15,688.64	8,239.08
	<u>50,632.50</u>	<u>43,412.24</u>
	<u>(7,220.26)</u>	<u>778.76</u>

Note 27

	Year ended 31 March 2026	Year ended 31 March 2025
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages, including bonus	18,524.72	17,271.76
Contributions to provident and other funds (refer note 37)	2,546.89	1,800.66
Staff welfare expenses	1,686.23	1,553.62
	<u>22,757.84</u>	<u>20,626.04</u>

Note 28

	Year ended 31 March 2026	Year ended 31 March 2025
FINANCE COSTS		
Interest expense on		
Financial liabilities measured at amortised cost	1,745.49	2,682.60
Others*	101.07	89.53
Interest on defined benefit liability / asset (net)	51.92	60.24
Interest on lease liabilities	84.68	50.27
Unwinding of discount on warranty provisions	69.91	46.45
Other borrowing costs	21.51	58.81
	<u>2,074.58</u>	<u>2,987.90</u>

* includes interest on security deposits from dealers Rs. 79.51 lakhs (previous year Rs. 81.80 lakhs)

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Note 29

	Year ended 31 March 2026	Year ended 31 March 2025
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment (refer note 3)	3,344.03	3,012.26
Depreciation of right of use assets (refer note 3)	234.37	205.82
Amortisation of intangible assets (refer note 3)	1,624.38	1,617.23
	<u>5,202.78</u>	<u>4,835.31</u>

Note 30

	Year ended 31 March 2026	Year ended 31 March 2025
OTHER EXPENSES		
Consumption of stores and spares and loose tools	589.15	553.07
Repairs and maintenance:		
- Plant and Machinery	562.16	440.47
- Buildings	107.10	277.82
- Others	448.08	274.30
Power and fuel	1,248.41	874.27
Rent (refer note 32)	117.06	94.69
Rates and taxes	256.81	400.93
Legal and professional	280.06	200.84
Auditor's remuneration:		
Statutory audit	32.00	24.20
Tax audit	5.25	3.75
Limited review	28.00	36.00
Other services	2.65	1.50
Reimbursement of expenses	2.88	4.38
Insurance	396.68	234.81
Printing, stationery and other communication	135.34	130.26
Travelling and conveyance	957.11	887.33
Loss allowance for trade receivables	77.09	32.02
Packing and freight outward	7,412.41	5,895.56
Warranty	1,359.22	1,086.73
Other selling and distribution expenses	1,207.86	969.99
Testing and homologation	443.48	462.96
Property, plant and equipment written off (net)	25.45	57.59
Bad debts / advances written off	8.40	15.64
Corporate social responsibility (refer note 49)	138.52	49.81
Miscellaneous	652.61	596.76
	<u>16,493.78</u>	<u>13,605.68</u>

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

31 Contingent liabilities and commitments

(to the extent not provided for)

Contingent liabilities

(a) Claims against the Company not acknowledged as debts:

	As at 31 March 2026	As at 31 March 2025
Income tax matters	1,896.38	1,721.11
Sales tax and Goods and service tax matters	184.67	306.04
Excise and service tax matters	19.18	19.18
Civil matters	683.70	559.40
	2,783.93	2,605.73

The above matters comprise of proceedings pending with various direct tax, indirect tax and other authorities.

(b) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

Capital commitments

	As at 31 March 2026	As at 31 March 2025
Capital Commitments (net of advances) not provided for	4,204.79	2,078.96

32 Leases

The Company (lessee) leases a number of buildings, plant and equipment used in its operations. Leases of buildings and plant and equipment generally have lease terms between 2 to 9 years. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option as per respective lease agreements. The weighted average incremental borrowing rate applied to lease liabilities is 8% per annum (previous year 8% per annum).

(a) Lease liabilities presented in the Balance sheet are as follows:

	As at 31 March 2026	As at 31 March 2025
Current	228.28	278.25
Non-Current	667.74	249.09
	896.02	527.34

The maturity analysis of undiscounted lease liabilities amounting to Rs. 1,057.51 lakhs (previous year Rs. 635.19 lakhs) has been disclosed in Note 38 (A) (III) Financial risk management - liquidity risk.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

The following is the movement in lease liabilities during the year:-

	Year ended 31 March 2026	Year ended 31 March 2025
Balance as at beginning of the year	527.34	561.29
Additions	565.31	162.65
Finance cost accrued during the year	84.68	50.27
Payment of lease liabilities	(257.12)	(245.40)
Lease modification	(24.19)	(1.47)
Balance as at end of the year	896.02	527.34

(b) The detail of Right of use assets recognised during the year has been disclosed separately in note 3.

(c) **Expense recognised in Statement of profit or loss:**

	Year ended 31 March 2026	Year ended 31 March 2025
Rent for short term leases	117.06	94.69
Interest on lease liabilities	84.68	50.27
Depreciation of Right of use assets	234.37	205.82

33 Earnings per share

	As at 31 March 2026	As at 31 March 2025
Basic earnings per share (Rs.)	110.39	84.08
Diluted earnings per share (Rs.)	110.39	84.08
Face value per share (Rs.)	10.00	10.00

Note:

Profit the year attributable to equity shareholders	15,975.04	12,167.44
Weighted average number of equity shares outstanding during the year (in nos.)	1,44,71,646	1,44,71,646

34 Segment information

The Company is primarily engaged in the business of manufacturing of commercial vehicles and related components which constitutes a single business segment and accordingly, the disclosures of Ind AS 108, "Operating Segments" are not required to be given. As defined in Ind AS 108, the Chief Operating Decision Maker (CODM), i.e. the Board of directors, evaluates the performance of the Company and allocates resources based on the analysis of the various performance indicators of the Company as a single unit.

Geographical information

Particulars	Domestic	Overseas	Total
Revenue from operations			
2025-26	2,70,518.86	13,272.88	2,83,791.74
2024-25	2,30,386.28	9,513.00	2,39,899.28

Notes:

- Overseas segment includes sales and services rendered to customers located outside India.
- Domestic segment includes sales and services rendered to customers located in India.
- The Company has its business operations primarily in India. There are no non-current assets outside India.

Major customer

No single customer accounted for more than 10% of the Company's revenue for the financial years 2025-26 and 2024-25.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

35 The Company has established a comprehensive system for maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

36 Related parties

A. Related party and nature of related party relationship where control exists:

Controlling enterprise: Sumitomo Corporation, Japan (upto 1 August 2025)

Parent Company: Mahindra & Mahindra Limited (M&M) (w.e.f. 1 August 2025)

B. Other related parties with whom transaction have taken place during the year:

Fellow Subsidiary

Mahindra Holidays And Resorts India Limited (w.e.f. 1 August 2025)

Key management personnel

Mr. Vinod Kumar Sahay - Executive Chairman (w.e.f. 3 August 2025)

Mr. Junya Yamanishi - Managing Director & CEO (upto 16 April 2025)

Mr. Yasushi Nishikawa - Managing Director & CEO (w.e.f. 17 April 2025 to 1 August 2025)

Dr. Venkataraman Srinivas - Executive Director & CEO (w.e.f. 1 August 2025)

Mr. S.K. Tuteja - Chairman, Non Executive and Independent Director (upto 21 September 2024)

Mr. Chandra Shekhar Verma - Chairman *, Non Executive and Independent Director

Mr. Ravi Venkatraman - Non Executive and Independent Director (w.e.f. 1 August 2025)

Mr. Arun Kumar Malhotra - Non Executive and Independent Director (w.e.f. 1 August 2025)

Ms. Smita Mankad - Non Executive and Independent Director (w.e.f. 1 August 2025)

Mr. Sudhir Nayar - Non Executive and Independent Director (upto 21 September 2024)

Mr. Sanjeev Mehan - Non Executive and Independent Director (w.e.f. 22 September 2024 to 1 August 2025)

Mrs. Atima Khanna - Non Executive and Independent Director (upto 1 August 2025)

* appointed as Chairman of the Board of Directors w.e.f. 22 September 2024 and held the position upto 2 August 2025.

Related parties as per Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Mr. Rakesh Bhalla - Chief Financial Officer (upto 30 September 2025)

Mr. Pushkar Patwardhan - Chief Financial Officer (w.e.f. 1 October 2025)

Mr. Parvesh Madan - Company Secretary

Isuzu Motors Limited, Japan (upto 1 August 2025) ^

Navodya Enterprises (Acquirer) along with Person Acting in Concert (PAC) - SPV Traders, Anandam Enterprises, Sapna Gupta and Sachin Bansal ^

^ Shareholder holding 10% or more share in the Company

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

C. Transactions with related parties and outstanding balances as at year-end:

(i) Particulars	Year ended	Controlling Enterprise	Parent Company	Fellow Subsidiary
Nature of transactions				
a) Purchase of components and spares	31 March 2026	19.33	-	-
	31 March 2025	69.80	-	-
b) Dividend paid	31 March 2026	1,145.22	-	-
	31 March 2025	1,017.97	-	-
c) Availment of services	31 March 2026	-	-	1.50
	31 March 2025	-	-	-
d) Reimbursement made to parties (refer note 2)	31 March 2026	-	601.84	-
	31 March 2025	-	-	-
Balances Outstanding with Related Parties				
a) Advance for supply of goods	31 March 2026	-	-	-
	31 March 2025	18.17	-	-
b) Prepaid expenses and other advances	31 March 2026	-	18.67	-
	31 March 2025	-	-	-
c) Trade payables	31 March 2026	-	210.14	-
	31 March 2025	9.70	-	-
(ii) Key Managerial Personnel (KMP)				
Particulars	Year ended	Short-term employee benefits	Sitting fees	Commision
Mr. Vinod Kumar Sahay (refer note 2)	31 March 2026	80.00	-	-
	31 March 2025	-	-	-
Mr. Junya Yamanishi	31 March 2026	7.02	-	-
	31 March 2025	152.45	-	-
Mr. Yashushi Nishikawa	31 March 2026	44.10	-	-
	31 March 2025	-	-	-
Dr. Venkataraman Srinivas (refer note 2)	31 March 2026	93.33	-	-
	31 March 2025	-	-	-
Mr. Rakesh Bhalla	31 March 2026	46.72	-	-
	31 March 2025	85.51	-	-
Mr. Pushkar Patwardhan (refer note 2)	31 March 2026	32.50	-	-
	31 March 2025	-	-	-
Mr. Parvesh Madan	31 March 2026	66.63	-	-
	31 March 2025	56.79	-	-

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

Particulars	Year ended	Short-term employee benefits	Sitting fees	Commision
Mr. Ravi Venkatraman	31 March 2026	-	7.50	10.25
	31 March 2025	-	-	-
Mr. Arun Kumar Malhotra	31 March 2026	-	6.60	8.06
	31 March 2025	-	-	-
Ms. Samita Mankad	31 March 2026	-	4.30	9.52
	31 March 2025	-	-	-
Mr. S.K. Tuteja	31 March 2026	-	-	-
	31 March 2025	-	3.10	12.50
Mr. Sudhir Nayar	31 March 2026	-	-	-
	31 March 2025	-	2.50	12.50
Mr. Chandra Shekhar Verma	31 March 2026	-	10.20	25.08
	31 March 2025	-	6.10	25.00
Mr. Sanjeev Mehan	31 March 2026	-	5.00	4.08
	31 March 2025	-	4.20	12.50
Mrs. Atima Khanna	31 March 2026	-	5.00	5.19
	31 March 2025	-	5.80	25.00
Balances Outstanding with KMPs:				
Payable to KMPs	31 March 2026	87.75	1.08	79.06
	31 March 2025	-	-	156.80

(iii) Shareholders holding 10% or more share in the Company

Particulars	Year Ended	Amount
Nature of transactions		
Dividend paid to Isuzu Motors Limited, Japan (ceased to be shareholder w.e.f. 1 August 2025)	31 March 2026	390.73
	31 March 2025	347.32
Dividend paid to Navodya Enterprises (Acquirer) along with Person Acting in Concert (PAC)	31 March 2026	459.56
	31 March 2025	456.50

Notes:

- All related party transactions that were entered into during the financial year were at arm's length, in the ordinary course of business.
- Reimbursements made to the parent company includes Rs. 140.73 lakhs towards deputation of personnel and Rs. 205.83 lakhs towards short-term employee benefits of key managerial personnel. The said amount is also disclosed separately in Note 36(C)(ii).
- Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

4. The charge for gratuity and compensated absences, where applicable, in respect of the key managerial personnel, is not separately determinable as the remuneration is primarily reimbursed to the parent company.
5. Dividend paid to Sumitomo Corporation, Japan and Isuzu Motors Limited, Japan during the year ended 31 March 2026 pertains to financial year 2024-25.
6. In addition to Ind AS 24, Company has disclosed RPTs as per Companies Act, 2013 and SEBI LODR Regulations.

37 Employee benefits

(i) Net liabilities relating to employee benefits

	As at 31 March 2026	As at 31 March 2025
Non-current		
Liability for gratuity	787.40	752.46
Liability for compensated absences	1,472.64	3,209.62
	2,260.04	3,962.08
Current		
Liability for compensated absences	912.84	547.75
Liability for superannuation	95.30	84.46
	1,008.14	632.21
Total	3,268.18	4,594.29

For details about the related employee benefit expenses, refer to note 27.

(ii) Defined benefit plan - Gratuity

The Company operates a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vest after five years of continuous service. Gratuity benefits valued are in accordance with the payment of Gratuity Act, 1972.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

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. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

a) Funding

This is a funded benefit plan for all employees. The Company makes contributions to Life Insurance Corporation of India ("LIC of India"). The assets managed by the fund manager are highly liquid in nature and the Company does not expect any significant liquidity risks.

The Company expects to pay Rs. 400 lakhs (previous year Nil) in contribution to its defined benefit plans in 2026-27.

b) Reconciliation of the present value of defined benefit obligation

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	6,426.35	6,104.91
Benefits paid	(649.87)	(674.37)
Past service cost	546.68	-
Current service cost	433.90	415.86
Interest cost	421.00	417.01
Actuarial losses / (gains) recognised in other comprehensive income		
- changes in financial assumptions	(401.23)	143.69
- changes in demographic assumptions	-	-
- experience adjustment	39.06	19.25
Balance at the end of the year	6,815.89	6,426.35

c) Reconciliation of the present value of plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	5,673.89	4,521.77
Contributions paid into the plan	600.00	1,500.00
Benefits paid	(649.87)	(674.37)
Expected return income on plan assets	369.08	356.77
Remeasurement (loss) / gain - return on plan assets recognised in other comprehensive income	35.39	(30.28)
Balance at the end of the year	6,028.49	5,673.89

d) Expense recognised in Statement of profit or loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Past service cost	546.68	-
Current service cost	433.90	415.86
Interest cost	51.92	60.24
Total	1,032.50	476.10

e) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Actuarial loss / (gain) on defined benefit obligation	(362.17)	162.94
Remeasurement loss / (gain) - return on plan assets	(35.39)	30.28
Total	(397.56)	193.22

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

f) Plan assets

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investments maintained by Life Insurance Corporation of India and asset-liability matching strategies are not available with the Company and have not been disclosed.

g) Actuarial assumptions

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate (per annum)	7.74% p.a	6.90% p.a
Future salary growth rate (per annum)	9.00% p.a	9.00% p.a
Attrition rate	5.00% p.a	5.00% p.a
Future Mortality	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

h) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would increase / (decrease) defined benefit obligation by the amounts shown below:-

	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(223.06)	236.99	(215.44)	229.46
Future salary growth rate (1.0% movement)	477.34	(431.44)	459.94	(413.96)
Attrition rate (0.5% movement)	(20.73)	21.92	(28.07)	29.86

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of 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 the balance sheet.

The methods and assumptions used in preparing the sensitivity analysis did not change as compared to the previous year.

Maturity profile of defined benefit obligation:

Expected cash flows (valued on undiscounted basis):

Particulars	As at 31 March 2026	As at 31 March 2025
Within 1 year	834.91	767.05
2-5 years	2,921.21	2,592.41
6-10 years	2,962.49	2,632.08
After 10 years	6,260.23	5,580.78

The weighted average duration of the defined benefit obligation of gratuity fund at 31 March 2026 is 14.50 years (previous year 14.77 years).

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

(iii) Defined contribution plans

The Company makes contribution towards employees' provident fund, superannuation fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The Company has recognised expense towards contribution to these plans as detailed below:

Particulars*	Year ended 31 March 2026	Year ended 31 March 2025
Provident fund	1,174.09	1,050.24
Superannuation fund	389.69	330.15
Employees' state insurance scheme	2.52	4.41
	1,566.30	1,384.80

* Included in contribution to provident and other funds in note 27

38 Financial Instruments - Risk Management and Fair Values

(A) Financial risk management

During the course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including foreign currency risk, interest rate risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and has constituted Risk Management Committee to monitor mitigating actions taken by Management, minimize potential adverse effects and achieve greater predictability to earnings.

The Company has exposure to the following risk arising from financial instruments:

- Market risk (refer (I))
- Credit risk (refer (II)) and
- Liquidity risk (refer (III))

(I) Market risk

Market risk is the risk of any loss in future earnings, realisable fair values or future cash flows that may result from fluctuations in the pricing of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future market changes cannot be normally predicted with reasonable accuracy.

i. Foreign currency risk management:

The Company is exposed to foreign currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and functional currency of the Company, i.e. Indian Rupee (Rs.). The currencies in which these transactions are primarily denominated are US Dollar and Euro. The Company's policy is to ensure that its net exposure is kept to an acceptable level which will not have material effect on the profits of the Company if there is any fluctuation in the currency rates.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, as reported to management, are as follows:

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

As on 31 March 2026:

Foreign Currency	Liabilities			Assets			Net overall exposure-net assets / (net liabilities) (in Rs. lakhs)
	Gross Exposure (in Rs. lakhs)	Exposure hedged using derivatives (in Rs. lakhs)	Net liability exposure (in Rs. lakhs)	Gross Exposure (in Rs. lakhs)	Exposure hedged using derivatives (in Rs. lakhs)	Net asset exposure (in Rs. lakhs)	
USD	-	-	-	480.21	-	480.21	480.21
EUR	-	-	-	-	-	-	-

As on 31 March 2025:

Foreign Currency	Liabilities			Assets			Net overall exposure-net assets / (net liabilities) (in Rs. lakhs)
	Gross Exposure (in Rs. lakhs)	Exposure hedged using derivatives (in Rs. lakhs)	Net liability exposure (in Rs. lakhs)	Gross Exposure (in Rs. lakhs)	Exposure hedged using derivatives (in Rs. lakhs)	Net asset exposure (in Rs. lakhs)	
USD	-	-	-	816.01	-	816.01	816.01
EUR	48.18	-	48.18	-	-	-	(48.18)

- Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee by 1% against below currencies at 31 March 2026 and 31 March 2025 would have increased / decreased the exposure in relation to financial instruments denominated in foreign currency and increased / decreased profit before tax and equity by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31 March 2026	31 March 2025
Impact on profit before tax and equity (pre-tax) for the year		
USD	4.80	8.16
EURO	-	0.48

ii. Interest rate risk management :

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

As at year end, financial liabilities (borrowings) of Rs. 27,794.77 lakhs (previous year Rs. 32,019.43 lakhs) were subject to variable interest rates.

- Sensitivity analysis:

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

A reasonably possible change of 1% in interest rates at the reporting date would have increased / decreased the profit before tax and equity by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	31 March 2026	31 March 2025
Impact on profit before tax and equity (pre-tax) for the year	277.95	320.19

The Company's certain long term loans taken from bank carries variable rate of interest, hence, it is subject to interest rate risk since carrying amount or the future cash flows will fluctuate because of a change in market interest rates.

(II) Credit risk :

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. None of the financial instruments of the Company result in material concentrations of credit risks.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at 31 March 2026 and 31 March 2025.

The Company primarily has exposure from following types of customers:

- Dealers
- Government institutions

To manage trade receivables, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts, aging of such receivables and the country in which customers operate.

The Company's exposure to credit risk for trade receivables by the type of customers is as follows:

	Carrying amount as at	
	31 March 2026	31 March 2025
Dealers	17,149.23	21,166.25
Government institutions	9,871.75	5,239.42
Others	-	119.64
	27,020.98	26,525.31

The loss allowance for trade receivables using expected credit loss for different ageing periods is as follows:

	As at 31 March 2026				As at 31 March 2025			
	Gross	Allowance	Net	Average expected credit loss rate %	Gross	Allowance	Net	Average expected credit loss rate %
Not due	20,426.09	-	20,426.09	-	20,518.48	-	20,518.48	-
Due less than 6 months	6,639.95	59.40	6,580.55	0.89%	5,140.05	1.30	5,138.75	0.03%
Due more than 6 months	264.47	250.13	14.34	94.58%	1,099.71	231.63	868.08	21.06%
	27,330.51	309.53	27,020.98	1.13%	26,758.24	232.93	26,525.31	0.87%

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

The Company makes an allowance for doubtful trade receivables using the simplified approach for expected credit loss and by continuously monitoring the recoverability of receivable balances.

Movement in expected credit loss allowance

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	232.93	211.80
Add: Incremental expected credit allowance	77.09	32.02
Less: Bad debts written off	0.49	9.22
Less: Reversal of provisions	-	1.67
Balance at the end of the year	309.53	232.93

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

Other financial assets measured at amortised cost: Other financial assets measured at amortized cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously and there were no indications that defaults in payment obligations would occur.

(III) Liquidity risk :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained working capital borrowing limits of Rs. 55,000 lakhs (previous year Rs. 80,783.56 lakhs) from various banks to meet its liquidity needs, out of which Rs. 21,626.97 lakhs (previous year Rs. 22,504.43 lakhs) has been utilised as at 31 March 2026.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its non derivative financial liabilities based on the undiscounted cash flows.

Particulars	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total	Carrying Value
31 March 2026					
Trade payables	40,554.55	-	-	40,554.55	40,554.55
Lease liabilities	280.14	738.65	38.72	1,057.51	896.02
Other financial liabilities	1,305.65	-	1,372.24	2,677.89	2,677.89
Borrowings	27,231.22	1,085.21	-	28,316.43	28,015.03
	69,371.56	1,823.86	1,410.96	72,606.38	72,143.49
31 March 2025					
Trade payables	37,012.70	-	-	37,012.70	37,012.70
Lease liabilities	313.55	280.42	41.22	635.19	527.34
Other financial liabilities	2,515.82	-	1,232.99	3,748.81	3,748.81
Borrowings	26,560.13	6,556.76	-	33,116.89	32,177.97
	66,402.20	6,837.18	1,274.21	74,513.59	73,466.82

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

38 Financial Instruments - Risk Management and Fair values

(B) Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities including their level in the fair value hierarchy:

Level of hierarchy	As at 31 March 2026			As at 31 March 2025		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Non-current						
Loans	-	-	74.20	-	-	151.01
Other financial assets	-	-	328.28	-	-	287.72
Current						
Trade receivable	-	-	27,020.98	-	-	26,525.31
Cash and cash equivalents	-	-	450.85	-	-	310.10
Bank balances other than cash and cash equivalents above	-	-	1,619.25	-	-	1,673.48
Loans	-	-	85.45	-	-	89.51
Other financial assets	-	-	192.06	-	-	219.83
Total financial assets	-	-	29,771.07	-	-	29,256.96
Financial liabilities						
Non-current						
Borrowings	-	-	1,064.86	-	-	6,255.36
Lease liabilities	-	-	667.74	-	-	249.09
Other financial liabilities	-	-	1,372.24	-	-	1,232.99
Current						
Borrowings	-	-	26,950.17	-	-	25,922.61
Trade payables	-	-	40,554.55	-	-	37,012.70
Lease liabilities	-	-	228.28	-	-	278.25
Other financial liabilities	-	-	1,305.65	-	-	2,515.82
Total financial liabilities	-	-	72,143.49	-	-	73,466.82

Note:

- (i) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- (ii) Fair value of non-current financial assets has not been disclosed as there are no material differences between carrying value and fair value.
- (iii) The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates. Fair value has not been disclosed for borrowings since it approximates the carrying amount.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2026 and 31 March 2025.

39 Income Tax

(a) Income tax recognised in profit or loss	Year ended 31 March 2026	Year ended 31 March 2025
Current tax		
In respect of current year	5,251.10	362.12
In respect of prior years	-	(31.11)
	5,251.10	331.01
Deferred tax		
In respect of current year	169.23	3,739.23
	169.23	3,739.23
Total income tax expense recognised in profit or loss	5,420.33	4,070.24
(b) Income tax expense for the year reconciled to the accounting profit:	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax	21,395.37	16,237.68
Income tax rate	25.168%	25.168%
Income tax expense	5,384.79	4,086.70
Effect of non-deductible expenses / income	35.54	12.54
Current tax related to prior years	-	(31.11)
Others	-	2.11
Income tax expense recognised in profit or loss	5,420.33	4,070.24
(c) Income tax recognized in other comprehensive income	Year ended 31 March 2026	Year ended 31 March 2025
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurements of defined benefit obligations	(100.06)	48.63
Total income tax recognised in other comprehensive income	(100.06)	48.63

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

(d) Analysis of deferred tax assets / liabilities

	As at 1 April 2025	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2026
Deferred tax (liabilities) / assets in relation to:				
Property, plant and equipment, intangible assets and right of use assets (net)	(3,306.48)	43.67	-	(3,262.81)
Provisions - employee benefits	1,156.29	(233.70)	(100.06)	822.53
Allowance for expected credit loss and others	261.05	(59.63)	-	201.42
Lease liabilities	132.72	92.79	-	225.51
Other items	(25.96)	(12.36)	-	(38.32)
Total	(1782.38)	(169.23)	(100.06)	(2051.67)
	As at 1 April 2024	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2025
Deferred tax (liabilities) / assets in relation to:				
Property, plant and equipment, intangible assets and right of use assets (net)	(3,447.82)	141.34	-	(3,306.48)
Provisions- employee benefits	1,275.00	(167.34)	48.63	1,156.29
Allowance for expected credit loss and others	155.49	105.56	-	261.05
Unabsorbed Depreciation and carry forward losses	3,800.66	(3,800.66)	-	-
Lease liabilities	141.27	(8.55)	-	132.72
Other items	(16.38)	(9.58)	-	(25.96)
Total	1,908.22	(3,739.23)	48.63	(1,782.38)

40. The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses certain accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail (edit log) feature has operated throughout the year, except for certain tables relating to financial reporting and master data, where the same was enabled in a phased manner during the year. For the period during which the audit trail (edit log) facility was enabled and operated, the Company did not come across any instance of the audit trail feature being tampered with. Further, except for the period during which the audit trail was not enabled in the prior year, the audit trail has been preserved by the Company in accordance with the statutory requirements for record retention.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

41 (a) Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds. The Company uses the operational cash flows and equity to meet its working capital requirements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings. The Company is not subject to any externally imposed capital requirements.

Management of the Company reviews the capital structure of the Company on a regular basis and uses debt equity ratio to monitor the same. As part of this review, management of the Company considers risks associated with the movement in the working capital and capex needs.

The following table summarises the capital structure of the Company:

	As at 31 March 2026	As at 31 March 2025
Borrowings (current and non-current)	28,316.43	33,116.89
Less: Cash and cash equivalents	450.85	310.10
Net debt (A)	27,865.59	32,806.79
Total Equity (B)	51,933.91	38,266.27
Net debt to total equity ratio (A/B)	0.54	0.86

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities :-

Particulars	Borrowings (Current and non-current)	Lease liabilities (Current and non-current)	Interest accrued	Total
Balance as at 31 March 2024	41,565.55	561.29	119.75	42,246.59
Cash movements:				
Proceeds from borrowings	5,809.29	-	-	5,809.29
Repayment of borrowings	(15,196.87)	-	-	(15,196.87)
Payment of lease liabilities / interest	-	(195.13)	(2,927.75)	(3,122.88)
Non-cash movements:				
Additions in Lease liabilities / interest accrued	-	162.65	2,881.21	3,043.86
Lease modification	-	(1.47)	-	(1.47)
Balance as at 31 March 2025	32,177.97	527.34	73.21	32,778.52
Cash movements:				
Proceeds from borrowings	2,544.19	-	-	2,544.19
Repayment of borrowings	(6,707.12)	-	-	(6,707.12)
Payment of lease liabilities / interest	-	(172.44)	(1,976.43)	(2,148.87)
Non-cash movements:				
Additions in Lease liabilities / interest accrued	-	565.31	1,952.75	2,518.06
Lease modification	-	(24.19)	-	(24.19)
Balance as at 31 March 2026	28,015.04	896.02	49.53	28,960.59

Note: Non-cash investing activity includes acquisition of Right of use assets (refer note 3).

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

42 Research and development costs are as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue expenditure recognised in statement of profit and loss under appropriate account heads	2,041.03	1,916.12
Capital expenditure *	562.26	337.22

* allowed as deduction under section 35(1)(iv) of income tax act., 1961

43 Final Dividend

The Board of Directors at their meeting held on 20 April 2026, has considered and recommended a final dividend of Rs. 23.50 per equity share (previous year Rs.18 per equity share) of Rs. 10 each fully paid up amounting to Rs. 3,400.84 lakhs (previous year Rs. 2,604.90 lakhs) for the year ended 31 March 2026, subject to approval by the shareholders at the ensuing Annual General Meeting, and it has not been recognised as liability in these financial statements.

During the year ended 31 March 2026, the Company has paid a final dividend of Rs. 18 per equity share of Rs. 10 each fully paid up amounting to Rs. 2,604.90 lakhs in respect of previous year ended 31 March 2025, which was considered and recommended by the Board of Directors at their meeting held on 30 May 2025 and was subsequently approved by the shareholders at the Annual General Meeting, held on 26 September 2025.

- 44 On 26 April 2025, Sumitomo Corporation, Japan (Promoter shareholder) and Isuzu Motors Limited, Japan (Public shareholder) entered into Share Purchase Agreements with Mahindra & Mahindra Limited ("Acquirer"), whereby they agreed to sell 63,62,306 equity shares (representing 43.96% of the equity share capital of the Company) and 21,70,747 equity shares (representing 15.00% of the equity share capital of the Company) respectively, of face value of Rs.10/- each, at a price of Rs. 650/- per share.

Pursuant to the above, on 1 August 2025, Mahindra & Mahindra Limited acquired an aggregate of 58.96% of the equity share capital of the Company, in accordance with Regulation 22(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011. Accordingly, the Company has become a subsidiary of Mahindra & Mahindra Limited w.e.f. 1 August 2025.

Subsequent to the completion of the open offer, the shareholding of Mahindra & Mahindra Limited increased to 58.97% of the equity share capital of the Company.

- 45 The name of the Company has been changed from 'SML Isuzu Limited' to 'SML Mahindra Limited' with effect from 8 October, 2025, on issuance of a fresh certificate of incorporation by the Registrar of Companies, following the exit of Isuzu Motors Limited, Japan as a shareholder and to reflect the change in ownership.
- 46 During the previous year, the Company had received anonymous complaint alleging that some employees may have financial dealings with specific dealers. To investigate the matter, the Company, on the directions of Audit Committee, had appointed an external expert who submitted their report to the Audit Committee in the previous year. Thereafter, the Audit Committee appointed a sub-committee of two independent directors to look into all aspects and conclude the matter. Based on expert's findings and the sub-committee's review, there is no evidence of financial impropriety or fraud against the Company. Accordingly, management believes that the matter does not

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

have any material impact on the accompanying financial statements and, consequently, no adjustment is required to be made to the financial statements for the year ended 31 March 2026.

- 47** The Ministry of Environment, Forest and Climate Change has notified the Environment Protection (End-of-Life Vehicles) Rules, 2025 ("ELV Rules"), which are effective from 1 April 2025. As per these rules, Extended Producer Responsibility (EPR) obligations are imposed on producers ("vehicle manufacturers") for the scrapping of End-of-Life Vehicles and such obligations are to be fulfilled through the purchase of EPR certificates from registered Vehicle Scrapping Facilities via a Centralised Online Portal. The implementation details and operational procedures of the ELV rules including the modalities of the pricing mechanism for the EPR certificates are yet to be developed.

Consequently, the Company is currently unable to reliably estimate a range of possible outcomes and the potential impact of these rules. The Company will continue to assess the ability to measure its obligations pursuant to the ELV Rules, as and when the aforesaid details of implementation framework are available.

- 48** On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively "new labour code") - consolidating 29 existing labour laws.

In accordance with the new Labour Codes, the Company has currently estimated the incremental impact on retiral benefits to be Rs. 546.68 lakhs. The Company continues to monitor developments on the Rules to be notified by regulatory authorities, including clarifications / additional guidance from authorities and will continue to assess the accounting implications, basis such developments/ guidance.

49 Details of corporate social responsibility expenditure

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(i) Amount required to be spent by the company during the year*	192.20	16.70
(ii) Amount of expenditure incurred		
(a) Construction/acquisition of any asset	-	-
(b) On purpose other than (a) above*		
- Amount spent during the year	138.52	49.81
- Amount of set off against excess spend in earlier years	54.11	16.70
- Total	192.63	66.51
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	Girls education, vocational education, medical infrastructure	Girls education, vocational education, medical infrastructure
(vii) details of related party transactions	-	-

* as approved by the board of directors, the amount of excess spend available for utilisation in future periods is Rs. 49.81 lakhs.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

50 Key Financial Ratios

Particulars	Numerator	Denominator	Year ended 31 March 2026	Year ended 31 March 2025	Change	Reason where change more than 25%
(i) Current ratio	Current assets	Current liabilities	1.25	1.17	7%	Not applicable
(ii) Debt equity ratio	Total borrowings (current and non-current)	Total equity	0.54	0.84	-36%	Due to increase in total equity and decrease in borrowings
(iii) Debt service coverage ratio	Earnings available for debt service*	Debt service **	2.99	3.60	-17%	Not applicable
(iv) Return on equity ratio (%)	Profit after tax	Average total equity	35.4%	36.4%	-3%	Not applicable
(v) Inventory turnover	Cost of goods sold	Average total inventory	3.50	3.15	11%	Not applicable
(vi) Debtors turnover	Revenue from operations	Average trade receivables	10.60	11.05	-4%	Not applicable
(vii) Trade payables turnover ratio	Purchase of materials & stock-in-trade	Average trade payables	5.80	5.19	12%	Not applicable
(viii) Net capital turnover ratio	Revenue from operations	Total current assets - Total current liabilities	14.26	18.23	-22%	Not applicable
(ix) Net profit / (loss) margin (%)	Profit after tax	Revenue from operations	5.6%	5.1%	11%	Not applicable
(x) Return on capital employed (%)	Profit before interest and tax	Capital employed ***	31.3%	29.7%	5%	Not applicable
(xi) Return on investment (%)	-	-	N.A.	N.A.	-	Not applicable

* Earnings available for debt service = profit after tax + depreciation + finance costs + property, plant and equipment written off (net) + gain/(loss) on sale of property, plant and equipment + bad debts/advances written off.

** Debt service = finance costs + principal repayments of long term borrowings + rent expense.

*** Capital employed = total equity + total borrowings (current and non-current) + Deferred tax liabilities - right of use assets - intangible assets - intangible assets under development.

Notes forming part of the financial statements for the year ended 31 March 2026

(All amounts in Rs. Lakhs unless stated otherwise)

- 51 (a)** The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b)** The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c)** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (d)** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (e)** The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company.
- (f)** The Company has no such layers as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. Hence, the said clause is not applicable to the Company.
- (g)** The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- (h)** The Company did not have any balances or transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year.
- (i)** No charges or satisfaction are yet to be registered with ROC beyond the statutory period.
- (j)** No proceeding have been initiated on or is pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of SML Mahindra Limited
(Formerly SML Isuzu Limited)

Pushkar Patwardhan
Chief Financial Officer
ACA: 117347

Vinod Kumar Sahay
Executive Chairman
DIN: 07884268

Gaurav Mahajan
Partner
Membership Number: 507857

Parvesh Madan
Company Secretary
ACS: 31266

Dr. Venkataraman Srinivas
Executive Director & CEO
DIN: 11163042

Place: Mumbai
Date: 20 April 2026

Place: Mumbai
Date: 20 April 2026

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SML MAHINDRA LIMITED

(Formerly known as SML Isuzu Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SML Mahindra Limited (formerly known as SML Isuzu Limited) (the “Company”) which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 (“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 31 March 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 opinion on the financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

Revenue Recognition	
See Note 23 to Financial Statements	
The key audit matter	How the matter was addressed in our audit
<p>The Company recognises revenue from sale of products upon transfer of control over the goods to the customer, in accordance with the specific terms and conditions of the respective sale contracts.</p> <p>Revenue is a key performance indicator for the Company and its external stakeholders. Consequently, revenue recognition during the year and at the year end has been identified as a key audit matter as there could be an incentive or external pressure to meet expectations resulting in revenue being overstated or recognized before the goods are accepted by the customers.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> 1. Assessed whether the Company’s revenue recognition policies are consistent with the applicable accounting standards. 2. Evaluated the design and implementation and tested the operating effectiveness of relevant key financial controls (including IT application controls) with respect to revenue recognition for sale of products.

Independent Auditor's Report to the members of SML MAHINDRA LIMITED
(Formerly known as SML Isuzu Limited)

The key audit matter	How the matter was addressed in our audit
	<ol style="list-style-type: none"> 3. Performed substantive testing on samples selected using statistical sampling, for revenue transactions recorded during the year by testing underlying documents such as contractual terms to assess performance obligation and basis for revenue recognition, customer order, invoices, gate outward report, third party shipping documents/customer acceptances, subsequent receipts in the bank statements (as applicable) to assess whether revenue is recognized in the relevant period in which control is transferred. 4. Tested, on a sample basis using statistical sampling, revenue transactions recorded in periods before and after the financial year-end to assess revenue was recognised in the appropriate financial year; 5. Compared monthly trend of revenue recognised over historical period to identify any unusual trends; 6. Tested journal entries posted to revenue ledger selected based on specified risk-based criteria to identify unusual items; 7. Assessed the adequacy of disclosures in the financial statements in accordance with the requirements of applicable accounting standards.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. 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 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor who had expressed an unmodified opinion on 30 May 2025.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. 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 except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. 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, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 31 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d.
 - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 (a) 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 (b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 43 to the financial statements, the Board of Directors of the Company has 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.
 - f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility.

The feature of recording audit trail (edit log) facility for the accounting software has operated throughout the year except for certain tables relating to financial reporting and masters where the same has been enabled in a phased manner during the year.

For the period where audit trail (edit log) facility was enabled and operated we did not come across any instance of the audit trail feature being tampered with. Additionally, except where the audit trail was not enabled in a prior year, the audit trail has been preserved by the Company as per statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Gaurav Mahajan

Partner

Membership No.: 507857

ICAI UDIN:26507857QRAFBF1017

Place: Mumbai

Date: 20 April 2026

Annexure A to the Independent Auditor's Report on the Financial Statements of SML Mahindra Limited (formerly known as SML Isuzu Limited) for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification were not material and have been appropriately adjusted in the financial statements.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or 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, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments or provided any guarantee or given any security or advances in the nature of loans to companies, firms, limited liability partnership or any other parties and has not granted loans to companies, firms or limited liability partnership during the year. The Company has granted unsecured loans to other parties in respect of which the requisite information is as below.

Annexure A to the Independent Auditor's Report on the Financial Statements of SML Mahindra Limited (formerly known as SML Isuzu Limited) for the year ended 31 March 2026

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below:

Particulars	Interest bearing Loans (In ₹ lakhs)	Non-interest bearing Loans (In ₹ lakhs)
Aggregate amount during the year Others (employees of the Company)	2.50	29.03
Balance outstanding as at balance sheet date Others (employees of the Company)	1.66	0.06

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not made any investment or provided guarantee or given security or granted advances in the nature of loan during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except certain loans given to employees which are non-interest bearing as per approved policy of the Company. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of professional tax and labour welfare fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Name of the Statute	Nature of the Dues	Amount* (in Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income tax	622.34	FY 2007-08	Punjab and Haryana High Court	-
Income-tax Act, 1961	Income tax	157.84	FY 2014-15	Punjab and Haryana High Court	-
Income-tax Act, 1961	Income tax	-	FY 2015-16	Commissioner of Income Tax (Appeals)	-
Income-tax Act, 1961	Income tax	11.56	FY 2015-16	Commissioner of Income Tax (Appeals)	-
Income-tax Act, 1961	Income tax	84.77	FY 2017-18	Assessing Officer	-
Income-tax Act, 1961	Income tax	249.73	FY 2017-18	Punjab and Haryana High Court	-
Income-tax Act, 1961	Income tax	165.47	FY 2019-20	Commissioner of Income Tax (Appeals)	-
Income-tax Act, 1961	Income tax	534.18	FY 2020-21	Commissioner of Income Tax (Appeals)	-
Income-tax Act, 1961	Income tax	20.71	FY 2021-22	Commissioner of Income Tax (Appeals)	-
Income-tax Act, 1961	Income tax	5.74	FY 2021-22	Tribunal (ITAT)	-
Income-tax Act, 1961	Income tax	42.44	FY 2022-23	Dispute Resolution Panel	-
Income-tax Act, 1961	Income tax	1.60	FY 2022-23	Commissioner of Income Tax (Appeals)	-
Income-tax Act, 1961	Income tax	-	FY 2023-24	Commissioner of Income Tax (Appeals)	-
Central Excise Act, 1944	Duty of Excise	5.70	FY 2005-06	Commissioner (Appeals)	-
Central Excise Act, 1944	Duty of Excise	12.08	October 2007 to June 2017	Customs Excise and Service Tax Appellate Tribunal (CESTAT)	-
The Customs Act, 1962	Custom Duty	0.06	December 2017 to October 2018	Deputy Commissioner of Customs Group - 2K, JNCH Maharashtra	-
Punjab VAT Act, 2005	Value added tax	1.18	FY 2007-08	Deputy Excise and Taxation Commissioner cum Joint Director Enforcement, Patiala	-
The West Bengal Value Added Tax Rules, 2005	Entry tax	0.29	FY 2012-13	West Bengal Commercial Taxes Appellate and Revisional Board, Bench VI	-
A.P. VAT Act, 2005	Value added tax	-	FY 2016-17	Tribunal- Vishakhapatnam- Andhra Pradesh	-

Name of the Statute	Nature of the Dues	Amount* (in Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
CGST Act, 2017	Goods and Service Tax	-	July 2017 to May 2020	GSTAT, Chandigarh	-
CGST Act, 2017	Goods and Service Tax	157.58	July 2017 to December 2022	Commissioner Appeals, Ludhiana	-
CGST/HGST Act, 2017	Goods and Service Tax	0.40	FY 2018-19	Commissioner Appeals, Faridabad	-
CGST Act, 2017	Goods and Service Tax	6.30	July 2017 to July 22	Commissioner Appeals, Ludhiana	-
Tamilnadu GST Act, 2017	Goods and Service Tax	0.37	FY 2020-21	Assistant Commissioner commercial Tax, Chennai	-

* Net of amounts paid under protest (where applicable)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 5 CICs as part of the Group
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 the 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Gaurav Mahajan
Partner

Place: Mumbai
Date: 20 April 2026

Membership No.: 507857
ICAI UDIN:26507857QRAFBF1017

Annexure B to the Independent Auditor’s Report on the financial statements of SML Mahindra Limited (formerly known as SML Isuzu Limited) for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of SML Mahindra Limited (formerly known as SML Isuzu Limited) (“the Company”) as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements 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 (the “Guidance Note”).

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were 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 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 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 financial statements.

Meaning of Internal Financial Controls with Reference to 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 include 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 controls 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.

Place: Mumbai
Date: 20 April 2026

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022
Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN:26507857QRAFBF1017

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

SML Mahindra Limited (Formerly SML Isuzu Limited),

CIN : L50101PB1983PLC005516,

Village-Asron, District- Nawanshahr,

Punjab- 144533

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SML Mahindra Limited (Formerly SML Isuzu Limited) having CIN: L50101PB1983PLC005516 and having registered office at Village Asron, District: Nawanshahr, Punjab (hereinafter referred to as 'the Company'), produced before us 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 on the Board of the Company as stated below for the Financial Year ended on 31st March, 2026 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 the Director	DIN	Date of appointment in the company
1.	Mr. Venkataraman Srinivas	11163042	01.08.2025
2.	Mr. Vinod Kumar Sahay	07884268	01.08.2025
3.	Mr. Chandra Shekhar Verma	00121756	22.09.2019
4.	Mr. Ravi Venkatraman	00307328	01.08.2025
5.	Mr. Arun Kumar Malhotra	00132951	01.08.2025
6.	Ms. Smita Piyush Mankad	02009838	01.08.2025
7.	Ms. Mahima Chugh	07448152	01.08.2025

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 11.04.2026

Place : Chandigarh

UDIN : F002191H000067168

Ajay K. Arora

(Proprietor)

FCS No. 2191

C P No. 993

Peer Review Cert No. 2120/2022

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) UNDER REGULATION 17 (8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We confirm, that:

- A. We have reviewed the Financial Statements and the Cash Flow Statement for the Year ended 31st March, 2026 and to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and for evaluating the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee :
- Significant changes, if any, in internal control over financial reporting during the year;
 - Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai

Date : 19th April, 2026

Dr. Venkataraman Srinivas
Executive Director & CEO
DIN 11163042

Pushkar Patwardhan
Chief Financial Officer

DECLARATION BY THE EXECUTIVE DIRECTOR & CEO UNDER REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

I, Dr. Venkataraman Srinivas, Executive Director & CEO of SML Mahindra Limited hereby confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with Company's Code of Conduct for the Financial Year ended on 31st March, 2026 in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Mohali, Punjab
Date : 13th April, 2026

Dr. Venkataraman Srinivas
Executive Director & CEO
DIN 11163042

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

SML Mahindra Limited (Formerly SML Isuzu Limited)

CIN: L50101PB1983PLC005516

We have examined the compliance of the conditions of Corporate Governance by SML Mahindra Limited (Formerly SML Isuzu Limited) (“the Company”) for the Financial Year ended 31st March, 2026, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance 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.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For A. Arora & Co.
Company Secretaries
AJAY K. ARORA

(Proprietor)

FCS No. 2191

C P No.: 993

Date : 11.04.2026

Place : Chandigarh

UDIN : F002191H000067113

Peer review Cert No. 2120/2022

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting ("AGM") of SML Mahindra Limited (formerly SML Isuzu Limited), hereinafter referred to as "the Company", will be held on **Tuesday, 21st July 2026 at 11:30 AM (IST)** through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) to transact the following businesses.

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2026 and the Reports of the Board of Directors and Auditors thereon. To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2026 and the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be considered and adopted."

2. **To declare Final Dividend of Rs. 23.50/- per equity share of the face value of Rs. 10/- each, for the Financial Year ended 31st March, 2026.**

To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT a Final Dividend of Rs. 23.50 (235%) per Equity Share of the face value of Rs. 10 each for the year ended 31st March, 2026 on 1,44,71,646 Equity Shares of the Company aggregating Rs. 34.01 crores as recommended by the Board of Directors be declared and that the said Dividend be distributed out of the Profits for the year ended on 31st March, 2026."

3. **Re-appointment of Ms. Mahima Chugh (DIN 07448152), as a Director liable to retire by rotation and being eligible who has offered herself for re-appointment.**

To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Ms. Mahima Chugh (DIN 07448152), who retires by rotation and being eligible for re-appointment, be re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

4. **To approve Material Related Party Transactions with Mahindra & Mahindra Limited, Promoter and Holding Company**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the applicable provisions of the Companies Act, 2013 ("the Act") read with the related rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company's Policy on Materiality of and dealing with Related Party Transactions and subject to such other approval(s), consent(s), permission(s) as may be necessary from time to time, and on the basis of the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to Material Related Party Contracts/Transactions/Arrangements/Agreements (whether individually or taken together or in series of transactions or otherwise) falling within the definition of 'Related Party Transaction' under Regulation 2(1)(zc) of the SEBI Listing Regulations to be entered with Mahindra & Mahindra Limited ("M&M"), the Promoter and Holding Company of the Company, and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, carried out in the ordinary course of business and on an arm's length basis, as detailed in the explanatory statement to this Resolution, on such material terms and conditions as mentioned therein and as may be mutually agreed between

the Company and M&M, such that the aggregate value of the Related Party Transactions with M&M, in aggregate does not exceed Rs. 719.51 crores (Rupees seven hundred nineteen crores and fifty one lakhs only) during the financial year 2026-27.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof or any other person(s) authorised by the Board or its Committee in this regard), be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and to seek all necessary approvals to give effect to this Resolution, to sign and execute all deeds, agreements, contracts, applications, documents, papers, forms, and writings that may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise, and to delegate all or any of its powers conferred by this Resolution to any Director(s) or to any Committee(s) and/or any Key Managerial Personnel or officer(s) of the Company as it may consider appropriate to give effect to this Resolution and for the matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT all actions taken by the Board of the Company in connection with any matter referred to or contemplated in this Resolution, be approved, ratified and confirmed in all respects."

5. To approve payment of remuneration by way of commission to the Independent Directors of the Company

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company at their 32nd Annual General Meeting held on 5th August, 2016 and pursuant to the provisions of Sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") read with Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force], the Company's Policy for remuneration of the directors, key managerial personnel and other employees and such other approval(s), permission(s) and sanction(s) as may be necessary, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the payment of such remuneration by way of commission to the Non-Executive Independent Directors of the Company, in addition to the sitting fees for attending the Meetings of the Board of Directors or Committee(s) thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each Financial Year as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment(s) thereof, for a period of 5 (five) years commencing from 1st April, 2026.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Non-Executive Independent Directors, the Company has no profits or its profits are inadequate, the Company may pay them a sum not exceeding Rs. 1.50 crores (in aggregate) per annum, as the minimum remuneration in accordance with the provisions of Schedule V of the Act and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company as may be applicable from time to time.

RESOLVED FURTHER THAT the Board of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection 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 and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

NOTES

1. An Explanatory Statement as required under Section 102 of the Companies Act, 2013 is annexed hereto. The Board of the Company, at its meeting held on 20th April, 2026, has considered and approved that the special businesses under Item Nos. 4 and 5 being unavoidable, to be transacted at the 42nd Annual General Meeting (AGM) of the Company.
2. The Ministry of Corporate Affairs ("MCA") vide its Circular No(s) 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 09/2023 dated 25th September, 2023, Circular No. 09/2024 dated 19th September, 2024 and Circular No. 03/ 2025 dated 22nd September, 2025 (collectively referred to as "MCA Circulars") read with applicable SEBI Circulars permitted the companies for holding the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the 42nd AGM of the Company is being held through VC / OAVM on **Tuesday, 21st July, 2026 at 11:30 AM.**

The deemed venue for the AGM will be the Registered Office of the Company, i.e. Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab 144533. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 15.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Corporate Members are entitled to appoint authorized representatives to attend the meeting through VC / OAVM and participate and cast their votes through e-voting.
4. Members can join the AGM through the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available on first come first served basis.
5. The attendance of Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA/ SEBI Circulars, the Annual Report for Financial Year 2025-26 and Notice of 42nd Annual General Meeting, are being sent ONLY through e-mail to the Members whose e-mail address is registered with the Company or the Depository Participant(s).

In compliance with Regulation 36(1)(b) of the SEBI LODR Regulations, a letter containing a weblink, including the exact path for accessing the Notice of 42nd AGM and Annual Report for Financial Year 2025-26, will be sent to those shareholders whose email address is not registered with the Company/Company's RTA /Depository Participants /Depositories.

The Notice of Annual General Meeting, Audited Financial Statements for the year ended 31st March, 2026 together with Report of Directors and Auditors' Report are available on the website of the Company <https://smlmahindra.com/IN>, on the website of BSE Limited at www.bseindia.com, on the website of National Stock Exchange of India Limited (NSE) at www.nseindia.com and also on the website of NSDL at www.evoting.nsdl.com.

Members desirous of obtaining the physical copy of the Notice of AGM and Annual Report 2026, may send their request at investors@smlmahindra.com.

7. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, read with the Rules made thereunder, are requested to send the prescribed Form SH-13 to the Corporate/Registered Office of the Company. Any change or cancellation of the nomination already given is to be submitted in Form SH-14. Form SH-13 and Form SH-14 are available on the Company's website - <https://smlmahindra.com/IN/investors/shareholders-information/notices> in the Investors Section for download.
8. The Company's Registrar and Share Transfer Agent for its Share Registry Work (Physical and Electronic) is M/s MCS Share Transfer Agent Limited having their office at 179-180, DSIDC Shed, 3rd Floor, Okhla Industrial Area, Phase – 1, New Delhi – 110020.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number, ECS mandate, nominations, power of attorney, bank account details, etc., to their Depository Participant(s) in case the shares are held by them in electronic form and to Company's RTA - M/S MCS Share Transfer Agent Limited having their office at 179-180, DSIDC Shed, 3rd Floor, Okhla Industrial Area, Phase – 1, New Delhi – 110020 in case the shares are held in physical form.
10. Pursuant to Master Circular dated 7th May, 2024 and Circular dated 10th June, 2024 issued by SEBI, it shall be mandatory for the holders of physical securities to furnish PAN, contact details (Postal address with PIN and Mobile number), Bank A/c details and specimen signature for their corresponding folio numbers. Members of such folios where in any one of the above mentioned document/details are not updated shall be eligible:
 - a. To lodge grievance or avail any service request from the RTA ONLY after furnishing PAN and KYC details.
 - b. For any payment including dividend, interest or redemption payment in respect of such folios ONLY through electronic mode with effect from 1st April, 2024.

Members are requested to register/update the details in prescribed Form ISR-1 and other relevant forms, duly filled along with self-attested supporting documents and other relevant forms, with M/s. MCS Share Transfer Agent Limited ('MCS'), Registrar and Share Transfer Agent of the Company at helpdeskdelhi@mcsregistrars.com. Members may download the prescribed forms from the Company's website at <https://smlmahindra.com/IN>.

11. The Dividend, if approved at the AGM, will be paid in accordance with the following terms and conditions:
 - a. The Board of the Company, at its meeting held on 20th April, 2026, has approved and recommended the payment of Final Dividend of Rs. 23.50/- (Twenty three Rupees and fifty paise only) per equity share of the face value of Rs. 10/- (Rupees Ten) each for the financial year ended 31st March, 2026, subject to the approval of shareholders at the AGM.
 - b. The Dividend, subject to the approval of the Members, will be paid after 21st day of July, 2026 to those Members whose names appear on the Register of Members **as on the Record Date i.e. 3rd July, 2026**.
 - c. Members holding shares in physical/demat mode are hereby informed that the Bank particulars registered with RTA or their respective DP, as the case may be, will be considered by the Company for payment of dividend.
 - d. Members holding shares in physical/demat mode are required to submit their Bank account details, if not already registered, as mandated by the SEBI.

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Share Transfer Agent for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

- e. In case the Company's Banker is unable to process the Final Dividend to any Member by electronic mode, due to non-availability of the details of the bank account or for any other valid reason whatsoever, the shareholder may write to the Company with KYC details and a cancelled copy of cheque for allowing the Company to transfer the amount to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.
- f. As per the Income Tax Act, 1961, dividends paid or distributed by the Company after 1st April, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source ("TDS") at the prescribed rates from the dividend to be paid to the shareholders, subject to the requisite approvals. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.
- g. Members are requested to complete and/or update their Residential Status, PAN and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending the required documents at investors@smlmahindra.com by **Friday, 10th July, 2026** to enable the Company to determine the appropriate TDS/withholding tax rate applicable, verify the documents and provide exemption.

For details, please visit the website of the Company at the link:

<https://smlmahindra.com/IN/investors/shareholders-information/notices>.

12. Transfer of unpaid dividend and shares to Investor Education and Protection Fund (IEPF).

- a. The Company has transferred unclaimed dividends for and up to the financial year ended 31st March, 2018 to the Investor Education and Protection Fund (IEPF). Further, amount of Unclaimed Dividend for FY 2018-19 is due for deposit to the IEPF on 4th November, 2026. It may be noted that once the amounts in the unpaid dividend accounts are transferred to the IEPF, no claim shall lie against the Company in respect thereof. The Company has uploaded the information of unclaimed / unpaid dividend lying with the Company as on 31st March, 2026 on the website of the Company (<https://smlmahindra.com/IN>) under Investor section.

Due dates for transfer of dividend 2018-2019 and onwards-

Financial Year ended	Date of declaration of dividend	Due for transfer to IEPF
2018-19	30-09-2019	04-11-2026
2023-24	20-09-2024	26-10-2031
2024-25	26-09-2025	31-10-2032
The Company has not declared any dividend for FY 2019-20 to FY 2022-23		

- b. Pursuant to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with Section 124 of the Companies Act, 2013, shares in respect of which dividend has not been claimed by the shareholder for a period of seven (7) consecutive years or more, shall be transferred to Investor Education and Protection Fund (IEPF). Upon transfer of such shares, all corporate benefits accruing on such shares shall also be credited to the IEPF and the Voting Rights on such shares shall remain frozen till the rightful owner claims the shares.
- c. The Company, after giving required Notice(s), has transferred all shares in respect of which Dividend for FY 2017-18 has remained unclaimed/unpaid for seven (7) consecutive years or more, to the IEPF Authority.

Details of shares transferred to IEPF are available on the Company's website <https://smlmahindra.com/IN> and on the website of the IEPF www.iepf.gov.in. However, Members can claim unpaid dividend as well as shares from IEPF Authority by making an application in Form IEPF-5 online on www.iepf.gov.in and sending the physical copy of the same duly signed (as per registered specimen signature) along with requisite documents, enumerated in the said Form IEPF-5, to the Company or to M/s MCS Share Transfer Agent Limited, Registrar and Transfer Agents of the Company for verification of claim.

13. SEBI vide its notification dated 8th June, 2018 and 30th November, 2018, has prescribed that **w.e.f. 1st April, 2019, the securities of listed companies can be transferred only in dematerialized form.** Accordingly, Members holding shares in physical form are requested to convert their holding(s) in dematerialized form. Further, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests, 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; shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or the Company's RTA, for assistance in this regard.

SEBI vide its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/II/4298/2026 dated 6th February, 2026 has dispensed with the requirements of issuance of a Letter of Confirmation (LOC) with effect from 2nd April 2026, by the Company/RTA while processing the above investor service requests. Accordingly, the securities will be credited directly to the shareholder's demat account upon submission of valid demat accounts details along with the demat conversion request form and Client Master List not older than two months duly attested by the Depository Participant.

Special Window for lodgement of physical share transfer requests:

Pursuant to SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/II/4298/2026 dated 6th February 2026, a special window is opened till 4th February 2027, to facilitate lodgement of transfer requests executed before 1st April, 2019 but were either not lodged for transfer or were lodged and subsequently rejected, returned or not attended due to deficiency in the documents.

Eligible shareholders are requested to submit the requisite documents before 4th February, 2027 to Company/RTA. Securities transferred through this mechanism shall be credited only in dematerialized form and will remain under a one-year lock-in, during which they cannot be transferred, lien marked or pledged.

The Company has communicated the opening of this special window through newspaper advertisements which are available on the website at <https://smlmahindra.com/IN>.

14. Members are requested to consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

15. **Voting through electronic means (Remote e-voting):**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the Company is pleased to provide the facility to the Members to exercise their right to vote by electronic means (remote e-voting) in respect of the resolutions contained in the Notice. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. The facility of casting votes by a Member using remote e-voting / e-voting during AGM will be provided by NSDL.

"Remote e-voting" means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.

The **"cut-off"** date for determining the eligibility for voting either through remote e-voting or e-voting at AGM is fixed as **14th July, 2026**. The remote e-voting period will commence on **Friday, 17th July, 2026 (9:00 AM)** and end on **Monday, 20th July, 2026 (5:00 PM)**. During the period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, **14th July, 2026**, may cast their vote electronically.

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 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account 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
<p>Individual shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN, Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 2. If you are already registered for NSDL Ideas facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If the user is 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 Upon successful registration, please follow steps given in point 1 above. 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the

Type of shareholders	Login Method
	<p>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 held 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 options available against company name or e-Voting service provider - 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>
<p>Individual shareholders holding securities in demat mode with NSDL</p>	<p>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;">  <p>NSDL Mobile App is available on</p>   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is www.cdslindia.com OR click on New System Myeasi at https://web.cdslindia.com/myeasitoken/Home/Login After successful login of Easi/Easiest the user will also be able to see the E-Voting Menu. The Menu will have link of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote If the user is not registered for Easi/Easiest, option to register is available at www.cdslindia.com Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a link in 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 provided link for NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After login, 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 or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at : 022 - 4886 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800-21-09911

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.
4. Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
5. 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*** & 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 123456 then user ID is 123456001***

6. 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 in 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**.

7. **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.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. 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 the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" (**E-Voting Event Number – 139348**) of SML Mahindra Limited. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join general Meeting".
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution(s), you will not be allowed to modify your vote.

General Guidelines for shareholders

1. (i) Institutional / Corporate 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. authorizing their representative to attend the AGM through VC / OAVM and to vote through remote e-voting. The Resolution/ Authority Letter shall be sent to the Scrutinizer by e-mail to kanwalcs@gmail.com with a copy marked to evoting@nsdl.com. They 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.
(ii) 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.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of NSDL's E-Voting website www.evoting.nsdl.com. You can also send your queries / grievances relating to e-voting to:
 - a. Name and Designation: Ms. Pallavi Mhatre, Deputy Vice President
 - b. Address: T301, 3rd Floor, Naman Chambers, G Block, Plot No- C-32, Bandra Kurla Complex, Bandra East, Mumbai- 400051
 - c. Email Id : evoting@nsdl.com
 - d. Phone Number(s) : 022-4886 7000
- III. **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 the 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 investors@smlmahindra.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 investors@smlmahindra.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.com 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.
- IV. The remote e-voting period will commence at **9:00 AM (IST) on Friday, 17th July, 2026 and end at 5:00 PM (IST) on Monday, 20th July, 2026**. During the period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date, the 14th July, 2026**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast the vote again.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date, 14th July, 2026**.
- VI. A person who is not a Member as on the cut-off date should treat the Notice for information purposes only.
- VII. Any person, who acquires shares of the Company and become Member of the Company after the Company sends the Notice by e-mail and holds shares as on the **cut-off date i.e 14th July, 2026**, may obtain the Login ID and password by sending a request at evoting@nsdl.com or RTA at helpdeskdelhi@mcsregistrars.com or to the Company at investors@smlmahindra.com
If the shareholder is already registered with NSDL for e-voting then he can use his existing User ID and password for casting the vote through remote e-voting.
- VIII. Mr. Kanwaljit Singh Thanewal, a practicing Company Secretary (Membership No. F-5901, CP No. 5870) and failing him Mr. Ajay K Arora (Practicing Company Secretary, Membership No. FCS 219, CP No. 993) has been

appointed by the Board of Directors of the Company as the Scrutinizer to scrutinize the remote e-voting process and e-voting at the Annual General Meeting in a fair and transparent manner.

- IX. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, unblock the votes cast through remote e-voting and e-voting at AGM and make a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by the Board who shall countersign the same.
- X. The voting results shall be forwarded to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, within 48 hours of the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website <https://smlmahindra.com/IN> and on the website of NSDL.
- XI. The resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. 21st July, 2026 subject to receipt of the requisite number of votes in favor of the resolutions.

Instructions for Members for e-voting on the day of AGM

- I. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- II. Only those Members, who will present at the 42nd AGM through VC / OAVM and have not cast 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 at the AGM.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- IV. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of AGM shall be the same person mentioned for remote e-voting.

Instructions for Members for attending AGM through VC / OAVM

- I. Members will be provided with a facility to attend AGM through VC / OAVM through NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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 well before time by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, member can also use the OTP based login for logging into the e-voting system of NSDL.
- II. Members are encouraged to join the Meeting through Laptops for better experience.
- III. Further, Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the Meeting.
- IV. Please note that Members connecting from mobile devices or tablets or through laptops etc. 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.
- V. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary (investors@smlmahindra.com) by **(Thursday) 16th July, 2026**.
- VI. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id Folio No., PAN, mobile number at investors@smlmahindra.com between **(Tuesday) 14th July, 2026 to (Thursday) 16th July, 2026**. The Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- VII. The Company reserves the right to restrict the number of speakers depending on the availability of time of AGM.
16. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment, is annexed as **Annexure A**.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and all other relevant documents referred to in the Notice and Annexures thereof shall be made available for electronic inspection to the Members without any fee from the date of circulation of the Notice up to the date of this AGM and during the AGM.
18. Since the meeting will be held through VC / OAVM Facility, the route map is not annexed with the Notice.

Regd. Office & Works:

Village Asron,
Distt. Shahid Bhagat Singh Nagar
(Nawanshahr), Punjab-144 533
Email: investors@smlmahindra.com
CIN : L50101PB1983PLC005516
Website : <https://smlmahindra.com/IN>
Contact: (91)-1881-270260/270155

Dated: 20th April, 2026

By Order of the Board
for **SML MAHINDRA LIMITED**

(PARVESH MADAN)
Company Secretary
ACS-31266
pmadan@smlmahindra.com
Contact: 0172-4155901

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014**Explanatory Statement****Item No. 4**

In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Material Related Party Transactions require prior approval of the shareholders through ordinary resolution.

The aforesaid SEBI Listing Regulations, as amended, vide SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 dated 18th November, 2025, defines Material Related Party Transaction as a transaction entered/to be entered into, individually or taken together with previous transactions, during a financial year, exceeds 10% of the annual consolidated turnover of a listed entity as per its last audited financial statements if the annual consolidated turnover is upto Rs. 20,000 crores per annum.

As the members are aware, Mahindra & Mahindra Limited (M&M) acquired a majority equity stake in the SML Mahindra Limited (formerly SML Isuzu Limited) on 1st August, 2025, and consequently become the Promoter and Holding Company of SML Mahindra Limited (SML or the Company) with effect from the same date.

The Company is engaged in the manufacture and supply of commercial vehicles, particularly in trucks, buses and special purpose vehicles. Similarly, M&M, through Mahindra Trucks and Buses Division (MTBD), is also engaged in related business activities, offering a comprehensive range of commercial vehicles spanning light, intermediate, and heavy segments.

To accelerate the Company's growth and considering the commonality and overlap in business operations of the Company and M&M, both the entities propose to leverage their respective core strengths, operational capabilities and technical expertise to derive mutual business benefits. Such collaboration is expected to enhance operational efficiency, optimize utilization of resources and unlock synergies across identified business functions. In this context, some related party transactions between SML and M&M are proposed to be undertaken in the ordinary course of business.

The proposed related party transactions, inter alia, include sale and purchase of vehicles, automotive components, spare parts, and other products between the entities, leveraging each other's product strengths, technical capabilities and service network reach. Additionally, both entities may share or avail common manpower resources, technical expertise, infrastructure, facilities and support services. These transactions are aimed at leveraging operational synergies and enhancing efficiency, thereby creating value for the Company and its stakeholders.

SEBI vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025, ('Circular') has mandated listed companies to follow Industry Standards on 'Minimum Information to be provided to the Audit Committee and Members for approval of Related Party Transactions' ('RPTs') ('SEBI IS Note'). The SEBI IS Note prescribes information to be provided for review by the Audit Committee and Members for approval of material RPTs.

The management of the Company has provided the Audit Committee with the relevant details as required under the SEBI IS Note. All Independent Directors of the Audit Committee, after reviewing all necessary information, have granted approval for entering into the RPTs with M&M, for an aggregate value upto Rs. 719.51 crores during FY 2026-27. The Audit Committee has noted that the said transactions with M&M will be in the ordinary course of business of the Company and at an arms' length basis.

The Audit Committee has reviewed the certificate provided by Executive Director & CEO and Chief Financial Officer of the Company, as required under the RPT Industry Standards.

Details of the proposed RPTs between the Company and M&M and the information required as per SEBI Regulations are as follows:

A (1). Basic details of the related party		
S. No.	Particulars of the information	Information provided by the management
1.	Name of the related party	Mahindra & Mahindra Limited (M&M)
2.	Country of incorporation of the related party	India
3.	Nature of business of the related party	M&M's core business is mobility products and farm solutions. The Company offers a wide range of products and solutions ranging from SUVs, pickups, commercial vehicles and tractors, to electric vehicles, gensets and construction equipment.
A (2). Relationship and ownership of the related party		
S. No.	Particulars of the information	Information provided by the management
1.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:	M&M is Holding Company of SML
	Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	SML does not hold any shares of M&M
	Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/subsidiary (in case of transaction involving the subsidiary).	Not Applicable
	Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary). Explanation: Indirect shareholding shall mean shareholding held through any person, over which the listed entity/Subsidiary/related party has control. While calculating indirect shareholding, shareholding held by relatives shall also be considered.	M&M Shareholding in SML - 58.97%
A (3). Details of previous transactions with the related party		
S. No.	Particulars of the information	Information provided by the management
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year	FY 2024-25 – Nil FY 2025-26 (1st August 2025 to 31st March 2026) – Rs 6.21 Crores (for services received) Note – The Audit Committee, at its meeting held on 23 March 2026, took note of transactions aggregating to Rs. 3.10 crores entered into with M&M during the period from 1 August 2025 to 31 December 2025

S. No.	Particulars of the information	Information provided by the management															
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Not Applicable															
3.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	NIL															
A (4). Amount of the proposed transaction(s)																	
S. No.	Particulars of the information	Information provided by the management															
1.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	Rs. 719.51 Crores															
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes															
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	25.4% of the annual turnover of the Company for the financial year 2025-26 (FY 2024-25 – 30.0%).															
4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	Not Applicable															
5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	0.45% of annual consolidated turnover of Mahindra & Mahindra Limited for the financial year 2024-25.															
6.	Financial performance of the related party for the immediately preceding financial year i.e. FY 2024-25 Explanations: <i>The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.</i>	<table border="1"> <thead> <tr> <th colspan="2">Mahindra & Mahindra Limited</th> <th>Rs. Crores</th> </tr> <tr> <td></td> <td></td> <th>Standalone</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td></td> <td>1,16,483.68</td> </tr> <tr> <td>Profit after Tax</td> <td></td> <td>11,854.96</td> </tr> <tr> <td>Net Worth</td> <td></td> <td>61,195.27</td> </tr> </tbody> </table>	Mahindra & Mahindra Limited		Rs. Crores			Standalone	Turnover		1,16,483.68	Profit after Tax		11,854.96	Net Worth		61,195.27
Mahindra & Mahindra Limited		Rs. Crores															
		Standalone															
Turnover		1,16,483.68															
Profit after Tax		11,854.96															
Net Worth		61,195.27															

A (5). Basic details of the proposed transaction																										
S. No.	Particulars of the information	Information provided by the management																								
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	<table border="1"> <thead> <tr> <th></th> <th>Nature of transaction</th> <th>Rs. Crores</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Sale of Goods includes Sale of Vehicles and Auto Components, Auto parts / Spare Parts, Consumables, etc.</td> <td>255.00</td> </tr> <tr> <td>2.</td> <td>Purchase of Goods Includes Purchase of Vehicles and Auto Components, Auto parts / Spare Parts, Consumables, etc.</td> <td>90.00</td> </tr> <tr> <td>3.</td> <td>Purchase of Assets</td> <td>15.00</td> </tr> <tr> <td>4.</td> <td>Services Received - Deputation of personnel including KMPs, availment of specialised services of M&M, including services for IT, Strategic Sourcing Unit (SSU) for key components buying & capex, product engineering expertise & other misc. / reimbursements. - Brand/trademark license fee for usage of "Mahindra" brand/ tradename at Rs. 1 lac per annum*</td> <td>29.51</td> </tr> <tr> <td>5.</td> <td>Services Rendered Sharing of resources/ facilities/ technological capabilities of the Company etc. and reimbursements.</td> <td>10.00</td> </tr> <tr> <td>6.</td> <td>Borrowings Inter Corporate Deposits (ICDs) including Interest thereon</td> <td>320.00</td> </tr> <tr> <td></td> <td>Total</td> <td>719.51</td> </tr> </tbody> </table>		Nature of transaction	Rs. Crores	1.	Sale of Goods includes Sale of Vehicles and Auto Components, Auto parts / Spare Parts, Consumables, etc.	255.00	2.	Purchase of Goods Includes Purchase of Vehicles and Auto Components, Auto parts / Spare Parts, Consumables, etc.	90.00	3.	Purchase of Assets	15.00	4.	Services Received - Deputation of personnel including KMPs, availment of specialised services of M&M, including services for IT, Strategic Sourcing Unit (SSU) for key components buying & capex, product engineering expertise & other misc. / reimbursements. - Brand/trademark license fee for usage of "Mahindra" brand/ tradename at Rs. 1 lac per annum*	29.51	5.	Services Rendered Sharing of resources/ facilities/ technological capabilities of the Company etc. and reimbursements.	10.00	6.	Borrowings Inter Corporate Deposits (ICDs) including Interest thereon	320.00		Total	719.51
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	Total	719.51																								
2.	Details of each type of the proposed transaction	<p><i>*M&M charges the above rate uniformly to other Group companies of Mahindra Group.</i></p>																								
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	1 Year (FY 2026-27)																								
4.	Whether omnibus approval is being sought?	YES																								

S. No.	Particulars of the information	Information provided by the management
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	Rs. 719.51 crores Not Applicable
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	Refer background and rationale provided in the explanatory statement
7.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. <i>Explanation: Indirect interest shall mean interest held through any person over which an individual has control.</i>	Promoter: M&M Shareholding in SML - 58.97% None of the Company's Director / KMP have any interest, direct or indirect, in any of the proposed transactions except to the extent of their shareholding, if any, in the related party.
	a. Name of the director / KMP	Shareholding in Mahindra & Mahindra (M&M) as on 31st March 2026 Directors Mr. Vinod Kumar Sahay - 2994 Dr. Venkataraman Srinivas - 2722 Mr. Arun Kumar Malhotra - 7,400 Mr. Ravi Venkatraman - 356 KMPs Mr. Pushkar Patwardhan - 869 <i>Note – No other Director/KMP hold any shares in M&M.</i>
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Nil. The related party transactions will be in line with the Company's Policy on Materiality of and Dealing with Related Party Transactions. These transactions will be on an arm's length basis and in the ordinary course of business. The related party transactions will be supported by the Valuation Report of an Independent valuer, wherever necessary.
9.	Other information relevant for decision making.	Nil.

B (1). Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances

S. No.	Particulars of the information	Information provided by the management
1.	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	Nil
2.	Basis of determination of price.	The transactions with M&M will be executed at prices by ensuring consistent application of the principle of arms' length through a robust and transparent process. This includes adopting a cost-plus margin methodology aligned with industry norms, comparable uncontrolled pricing method, wherever applicable to ensure consistency and fairness. Reimbursements, if any, would be at cost.
3.	In case of Trade advance (of up to 365 days or such period for which such advances are extended as per normal trade practice), if any, proposed to be extended to the related party in relation to the transaction, specify the following:	Nil
	a. Amount of Trade advance	NA
	b. Tenure	NA
	c. Whether same is self-liquidating?	NA

B (5). Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary

S. No.	Particulars of the information	Information provided by the management
1.	Material covenants of the proposed transaction	Borrowing would be in the form of Inter Corporate Deposits (ICDs)
2.	Interest rate (in terms of numerical value or base rate and applicable spread)	At negotiated rate based on prevailing comparable market offering for similar amount & terms
3.	Cost of borrowing	As per agreed interest rate
4.	Maturity / due date	As per business requirement from time to time
5.	Repayment schedule & terms	As per mutually agreed terms
6.	Whether secured or unsecured	Unsecured
7.	If secured, the nature of security & security coverage ratio	Not applicable
8.	The purpose for which the funds will be utilized by the listed entity	For working capital / capex requirements

C (4). Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary		
S. No.	Particulars of the information	Information provided by the management
1.	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statement (FY 2024-25)	
	a. Before transaction	0.84
	b. After transaction	0.84
2.	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements (FY 2024-25)	
	a. Before transaction	3.60
	b. After transaction	3.60

The Audit Committee and the Board of Directors of the Company at their respective meetings held on 23rd March, 2026, approved and recommended for approval of Members, the aforesaid material related party transactions.

Accordingly, basis the approval of the Audit Committee, the Board of Directors of the Company recommend the Ordinary Resolution forming part of Item No. 4 of the accompanying Notice to the shareholders for approval.

Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve Resolution under Item No. 4.

Except as mentioned above, none of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, financially or otherwise, in the Resolution mentioned at Item No. 4 of the Notice.

Item No. 5

As per the provisions of the Companies Act, 2013, a company may pay remuneration/commission to Non-Executive Directors up to a sum not exceeding one percent of the net profits of the company. Further, the Act, inter alia, provides that if, in any financial year, a company has no profits or its profits are inadequate, it shall not pay its Non-Executive Directors, including Independent Directors, any remuneration except in accordance with the provisions of Schedule V of the Companies Act, 2013.

Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), inter alia, provides that the Board shall recommend to the members, for their approval, any fee or compensation to be paid to Non-Executive Directors, including Independent Directors.

The Independent Directors of the Company play an important role in overseeing the governance, risks, performance, and sustainable growth of the Company. They contribute their wealth of knowledge, skills, expertise, independent perspective, strategic insight, and experience to the Company's business and provide the necessary diversity in the Board's decision-making process.

With the heightened emphasis on corporate governance standards and the expanding scope of duties & responsibilities entrusted to Independent Directors under the Act and the SEBI Listing Regulations, their increased involvement in the committees of the Company is imperative.

Consequently, the role of the Board, particularly that of the Independent Directors, has become considerably more demanding, necessitating a higher level of decision-making, an elevated degree of oversight, and greater time commitment

for participation in Board and Committee meetings.

The Company's Independent Directors are leading professionals with rich experience and expertise in functional areas such as business strategy, financial management, corporate governance, and stakeholder engagement.

In view of the above, and in appreciation to the contribution and services the Independent Directors render to the Company, the Board, at its meeting held on 23rd March 2026, basis the recommendation of the Nomination and Remuneration Committee ("NRC"), in addition to the existing approval of the shareholders, obtained at 32nd AGM of the Company held in Year 2016, for the payment of remuneration by way of commission to the Non-Executive Independent Directors of the Company, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each Financial Year as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment(s) thereof, also recommended for the approval of the shareholders the payment of minimum remuneration in case the Company has no profits or its profits are inadequate, to pay them a sum not exceeding Rs. 1.50 crores (in aggregate) per annum, as the minimum remuneration in accordance with the provisions of Schedule V of the Act as applicable from time to time.

In accordance with the above, NRC and the Board shall determine the annual commission payable to the Non-Executive Independent Directors, taking into consideration the responsibilities shouldered by them, including their roles as Chairperson of the Board, Chairperson or Member of various Committees, and such other factors as the Board may deem appropriate.

Details of sitting fees and commission paid/payable to Non-Executive Independent Directors during the Financial Year 2025-26 is provided in the Corporate Governance Report annexed to Directors' Report.

The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditors.

The Company has not issued any non-convertible debentures.

The Board of Directors of the Company recommend the Special Resolution forming part of Item No.5 of the accompanying Notice to the shareholders for approval.

Except as mentioned above, none of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, financially or otherwise, in the Resolution mentioned at Item No.5 of the Notice.

Details as per the Secretarial Standards, Schedule V and SEBI LODR is attached to the Notice - **Annexure A & B.**

Regd. Office & Works:

Village Asron,
Distt. Shahid Bhagat Singh Nagar (Nawanshahr),
Punjab-144 533

Email: investors@smlmahindra.com

CIN : L50101PB1983PLC005516

Website : <https://smlmahindra.com/IN>

Contact: (91) -1881-270260 / 270155

By Order of the Board
for **SML MAHINDRA LIMITED**

(PARVESH MADAN)

Company Secretary

ACS-31266

pmadan@smlmahindra.com

Contact: 0172-4155901

Dated: 20th April, 2026

Annexure A

Additional Information required to be given as per SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is given below:

Name of the Director	Ms. Mahima Chugh	Mr. C. S. Verma	Mr. Ravi Venkatraman
Date of Birth (Age)	25.02.1984 (42 yrs)	29.09.1959 (66 yrs)	02.07.1959 (66 yrs)
DIN	07448152	00121756	00307328
Original date of Appointment	01.08.2025	22.09.2019	01.08.2025
Qualification(s)	MBA from IIM Ahmedabad and a B.E in Electronics from Delhi College of Engineering.	LLB, M.Com, MBA, FCS, FCMA	Bachelor's degree in commerce from the University of Madras. Member of the Institute of Chartered Accountants of India, New Delhi and the Institute of Cost & Works Accountants of India, Kolkata.
Experience (including expertise in specific functional area)*	<p>Ms. Mahima Chugh is a Senior Vice President in the Group Strategy Office of Mahindra & Mahindra Limited. Ms. Chugh has been responsible for leading strategy and transformation across leading Indian and global organizations with deep expertise in revenue growth, cost & operations, M&A, and digitization. She has also been recognised by The Economic Times for her business leadership. Most recently she was a tenured Partner at Mckinsey & Co. Prior to that she was a Principal at Bain & Company and has over 18 years of professional experience.</p>	<p>Mr. Chandra Shekhar Verma was appointed as an Independent Director of the Company w.e.f 22.09.2019.</p> <p>Mr. Verma has vast experience of around 36 years in the public sector companies such as- SAIL, BHEL, NMDC, IRFC, ITI etc. His last assignment was as a Chairman and Managing Director of Steel Authority of India Limited (SAIL).</p> <p>He also held additional charge as CMD of National Mineral Development Corporation (NMDC) and Chairman of International Coal Ventures Ltd (ICVL).</p> <p>He was the first President of the Indian Steel Association. He has been the Governing Council Member of All India Management Association (AIMA), Member of the Governing Board of IIM, Raipur, Member of the Governing Board of Bureau of Indian Standards. He has been the recipient of many awards and accolades both at National and International level.</p>	<p>Mr. Ravi Venkatraman (Mr. V. Ravi) retired in July 2020, as Executive Director & Chief Financial Officer of Mahindra & Mahindra Financial Services Limited (MMFSL) and thereafter served as a Senior Advisor - Financial Services in MMFSL for a year from July 2020 to July 2021. He has about 40 years of varied experience as a senior finance professional, covering many facets of BFSI sector.</p> <p>In the past he has served as a Kearney Advisor in A.T. Kearney Consulting (India) Private Limited from February 2022 to January 2023 and as an Advisor in Multiples Alternate Asset Management and Radiant Cash Management from May 2023 to May 2024. Mr. Ravi also has worked in Mascom Technical Services Ltd., Chennai as a System Analyst, in Ballestra India Ltd., Mumbai as Finance Executive and in Mahindra Ugin Steel Company Ltd., Mumbai as Senior Executive - Finance & Treasury.</p> <p>He has been a Coach & Mentor for 30 future Leaders under the Accelerated Corporate Entrepreneurship Program in the Institut Européen d'Administration des Affaires (INSEAD) including Mahindra Finance, Mahindra Insurance Brokers, Mahindra Housing Finance, Mahindra Manulife Mutual Fund and Mahindra Finance USA.</p> <p>He has also been the member of the Finance Industry Development Council, Corporate Finance Committee of Federation of Indian Chambers of Commerce & Industry, Capital Markets Group of Banking, Finance & Economics Committee of the Bombay Chamber of Commerce and Industry, Confederation of Indian Industry (CII) National Committee for CFOs, Association of Finance Professionals of India (AFPI), Academic Council of NMIMS, Bangalore, Asia Council of the Conference Board, USA and the Informal Advisory Group of the Reserve Bank of India.</p> <p>Mr. Ravi has been the recipient of several prestigious awards including "Best CFO Award" by the Asian Confederation of Businesses in 2012 & 2013, "100 Most Influential CFO's of India" award given by Chartered Institute of Management Accountants (CIMA) in 2015 & 2016, "100 Top</p>

*specific Skills / Expertise / Competencies of all the Directors are provided in the Corporate Governance Report.

Name of the Director	Ms. Mahima Chugh	Mr. C. S. Verma	Mr. Ravi Venkatraman
			<p>most Influential BFSI Leaders Citation” award given by World BFSI Congress & Awards in 2018 & 2019, “CA-CFO Financial Sector” award given by the 12th ICAI’s Leaders and Business Excellence Awards in 2019.</p> <p>Further, he has been awarded with Golden Peacock Award (For Excellence in Corporate Governance) in 2013, Top 10 in Corporate Governance in 2017 & 2018, National Award for Excellence in Cost Management (BFSI Sector – First Position) in 2019, Only NBFC Rank in Sustainability Index for the 7th consecutive time and FTSE4 Good Index Series (Included for the second consecutive year) in 2020.</p>
Terms and Conditions of appointment/ re-appointment including details of remuneration sought to be paid	Appointment on rotation basis and no remuneration (including sitting fee) is payable.	Re-appointment for a period of five (5) years commencing from 22.09.2024, not liable to retire by rotation. Entitled to sitting fees for attending the Meetings of the Board and Committees thereof. In addition, entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.	Appointment for a period of three (3) years from 01.08.2025, not liable to retire by rotation. Entitled to sitting fees for attending the Meetings of the Board and Committees thereof. In addition, entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.
Details of remuneration last drawn (FY 2025-26)	NA	Refer Corporate Governance Report	Refer Corporate Governance Report
Board Membership of other companies [excluding SML MAHINDRA Limited] as on 31st March, 2026	<ul style="list-style-type: none"> • Smartshift Logistics Solutions Private Limited 	<ul style="list-style-type: none"> • IKIO Technologies Limited • Multi Commodity Exchange of India Limited • Shyam Metals and Energy Limited • Welspun Corp Limited • Firstadvantage Consulting Group Limited • Royalux Lighting Private Limited 	<ul style="list-style-type: none"> • SBFC Finance Limited • Praxis Home Retail Limited • Aditya Birla Sun Life Pension Fund Management Limited • Zurich Kotak General Insurance Company (India) Limited • Kotak Mahindra Prime Limited • Avanse Financial Services Limited • Bajaj Finserv Mutual Fund Trustee Limited • Sarvagam Solutions Private Limited • Arisunitern RE Solutions Private Limited
Listed entities from which the Director has resigned in the past three years	Nil	Nil	<ul style="list-style-type: none"> • Arisinfra Solutions Limited • ESAF Small Finance Bank Limited
Chairman [C]/Member [M] of the Committees of the Board of Directors of the companies in which he/she is a director as on 31st March, 2026	<p>SML Mahindra Limited</p> <ul style="list-style-type: none"> - Stakeholder Relationship Committee [M] - Risk Management Committee [M] - Corporate Social Responsibility Committee [M] 	<p>SML Mahindra Limited</p> <ul style="list-style-type: none"> - Stakeholder’s Relationship Committee[C] - Nomination & Remuneration Committee [M] - Corporate Social Responsibility Committee [M] <p>Multi Commodity Exchange of India Limited</p> <ul style="list-style-type: none"> - Standing Committee on Technology [M] - Public Interest Director’s Committee [M] - Investment Committee [M] - Regulatory Oversight Committee [C] - Nomination & Remuneration Committee [C] - Stakeholders Relationship Committee [C] - Investor Protection Fund Trust [Trustee] 	<p>SML Mahindra Limited</p> <ul style="list-style-type: none"> - Audit Committee [C] - Risk Management Committee [C] - Nomination and Remuneration Committee [M] <p>SBFC Finance Limited</p> <ul style="list-style-type: none"> - Audit Committee [C] - Stakeholders Relationship Committee [M] - Risk Management Committee [M] - Corporate Social Responsibility Committee [M] - IT Strategy Committee [M]

Name of the Director	Ms. Mahima Chugh	Mr. C. S. Verma	Mr. Ravi Venkatraman
		IKIO Technologies Limited - Nomination & Remuneration Committee [M] - Corporate Social Responsibility Committee [M] - Stakeholders Relationship Committee [C] - Independent Directors Committee[M] Royalux Lighting Private Limited - Corporate Social Responsibility Committee [M] Shyam Metals and Energy Limited - Stakeholders Relationship Committee [C] Welspun Corp Limited - Audit Committee [M]	Kotak Mahindra Prime Limited - Audit Committee [C] - Nomination & Remuneration Committee [M] - Risk Management Committee [M] - CSR Committee [M] - Credit Committee of Board [M] Zurich Kotak General Insurance Company (India) Limited - Audit Committee [M] - Risk Management Committee [M] - Nomination & Remuneration Committee [M] Bajaj Finserv Mutual Fund Trustee Limited - Risk Management Committee [C] - Audit Committee [M] Avanse Financial Services Limited - Audit Committee [C] - IPO Committee [M] - CSR Committee [M] - Risk Management Committee [M] Aditya Birla Sun Life Pension Fund Management Limited - Audit Committee [M] - Investment Committee [M] Praxis Home Retail Limited - Audit Committee [C] - Nomination & Remuneration Committee [M]
No. of Board Meetings attended during FY 2025-2026	4	9	6
No. of shares held in the Company as on 31st March, 2026	Nil	Nil	Nil
Relationship with other Directors and KMPs	Ms. Mahima Chugh is not inter-se related to any other Director of the Company.	Mr. C. S. Verma is not inter-se related to any other Director of the Company.	Mr. Ravi Venkatraman is not inter-se related to any other Director of the Company.

Name of the Director	Mr. Arun Kumar Malhotra	Ms. Smita Mankad
Date of Birth (Age)	07-10-1958 (67 yrs)	20.03.1971 (55 yrs)
DIN	00132951	02009838
Original date of Appointment	01.08.2025	01.08.2025
Qualification(s)	PGDM from IIM-Calcutta	Economics (Hons) graduate from Lady Shriram College for Women, Delhi University MBA from Narsee Monjee Institute of Management Studies, Mumbai University, India.
Experience (including expertise in specific functional area)*	<p>Mr. Arun Kumar Malhotra has managed numerous assignments and roles in leading auto companies the last being MD of Nissan India.</p> <p>Presently, he is an industry consultant, board member, corporate speaker and visiting faculty in prominent business schools and serves as an Independent Director on the board of Lumax Auto Technologies Limited, a reputed auto ancillary company and IIM Kolkata Innovation Park.</p> <p>He has been an automotive industry veteran and over the past 3 decades has contributed to the establishment and growth of the Indian automotive industry. He has also worked with Bajaj Auto, Maruti Suzuki, Mahindra & Mahindra in the past and has been deeply involved in areas such as sales & after sales, brand building, strategic marketing, retail network expansion and development, rural marketing and formulating growth strategies.</p> <p>He was a member of the Executive Committee of SIAM (Society of Automobile Manufacturers) the apex body of the auto industry and Chairman of Auto Expo in February 2018 held in Greater Noida.</p> <p>He is amongst the prominent speakers in industry forums like CII, SIAM, FADA, World Auto Forum and National HRD Council. He is also Guest speaker/Visiting faculty in prominent business institutions in the country including IIM Kolkata, MDI Gurgaon, IMI Delhi and IIM Bangalore and has been a regular participant in panel discussion in prominent Business /General channels (ETV, CNBC, Aja Tak and ZeeTV).</p>	<p>Ms. Smita Mankad is a social entrepreneur and Independent Director on corporate and non-profit boards with 31 years of experience spanning the corporate, social and government sectors, with both grassroots and board level experience.</p> <p>She currently serves as an Independent Director on several boards across a diverse set of sectors including auto and auto components, renewable energy, housing finance, lifestyle retail, and finance.</p> <p>She started her career with TATA Motors, was with ABN AMRO Bank Mumbai, and then with Fabindia across international business, retail operations, new product and business development, internal systems and audits, supply chain, nutrition and wellness. At Fabindia, she was responsible for setting up and running the 18 Community Owned Companies that formed Fabindia's supply chain, where 23,000 rural artisans became shareholders and partners in profit for the first time, the subject of a Harvard case study.</p> <p>Her pro-bono work with non-profits includes co-creating livelihoods for women in rural India, safer cities for women and youth, and education for underprivileged children.</p> <p>She has worked in the Ministry of Health, Government of India to address micronutrient malnutrition through the implementation of food fortification across India.</p> <p>Smita continues to pay it forward by actively mentoring young women. A sustainability champion, she has been recognized for her work with the SDGs and proudly runs a zero waste-to-landfill home. She is a Vital Voices USA Fellow, Swedish Institute Sustainability Fellow and a Chevening Fellow from Oxford University.</p>
Terms and Conditions of appointment/ re-appointment including details of remuneration sought to be paid	Appointment for a period of three (3) years from 01.08.2025, not liable to retire by rotation. Entitled to sitting fees for attending the Meetings of the Board and Committees thereof. In addition, entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.	Appointment for a period of three (3) years from 01.08.2025, not liable to retire by rotation. Entitled to sitting fees for attending the Meetings of the Board and Committees thereof. In addition, entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.
Details of remuneration last drawn (FY 2025-26)	Refer Corporate Governance Report	Refer Corporate Governance Report
Board Membership of other companies [excluding SML MAHINDRA Limited] as on 31st March, 2026	<ul style="list-style-type: none"> • Lumax Auto Technologies Limited • IIM Calcutta Innovation Park • IAC International Automotive India Private Limited 	<ul style="list-style-type: none"> • Subros Limited • Swaraj Engines Limited • Bajaj Holdings & Investment Limited • BajajAuto Credit Limited • Mahindra Rural Housing Finance Limited • Fabindia Limited • Imperial Auto Industries Limited • DSP Fund Managers IFSC Private Limited
Listed entities from which the Director has resigned in the past three years	Nil	Nil

*specific Skills / Expertise / Competencies of all the Directors are provided in the Corporate Governance Report.

Name of the Director	Mr. Arun Kumar Malhotra	Ms. Smita Mankad
<p>Chairman [C]/Member [M] of the Committees of the Board of Directors of the companies in which he/she is a director as on 31st March, 2026</p>	<p>SML Mahindra Limited</p> <ul style="list-style-type: none"> - Corporate Social Responsibility Committee [C] - Audit Committee [M] - Stakeholder Relationship Committee [M] <p>Lumax Auto Technologies Limited</p> <ul style="list-style-type: none"> - Nomination and Remuneration Committee [C] - Audit Committee [M] - Stakeholders Relationship Committee [M] <p>IAC International Automotive India Private Limited</p> <ul style="list-style-type: none"> - Audit Committee [M] 	<p>SML Mahindra Limited</p> <ul style="list-style-type: none"> - Nomination and Remuneration Committee [C] <p>Imperial Auto Industries Limited</p> <ul style="list-style-type: none"> - Nomination and Remuneration Committee [C] - Corporate Social Responsibility Committee [C] - Audit Committee [M] <p>Fabindia Limited</p> <ul style="list-style-type: none"> - Corporate Social Responsibility Committee [C] - Audit Committee [M] - Stakeholder Relationship Committee [M] <p>Swaraj Engines Limited</p> <ul style="list-style-type: none"> - Audit Committee [C] - Corporate Social Responsibility Committee [M] <p>Mahindra Rural Housing Finance Limited</p> <ul style="list-style-type: none"> - Audit Committee [M] - Corporate Social Responsibility Committee [M] - Nomination and Remuneration Committee [M] - Risk Management Committee [M] - Stakeholder Relationship Committee [M] - IT Strategy Committee [M] <p>Bajaj Auto Credit Limited</p> <ul style="list-style-type: none"> - Audit Committee [C] - Stakeholder Relationship Committee [C] - Review Committee (for Treatment of Wilful Defaulters and Large Defaulters) [M] <p>Subros Limited</p> <ul style="list-style-type: none"> - Nomination and Remuneration Committee [M] - Stakeholder Relationship Committee [M] - Audit Committee [M]
<p>No. of Board Meetings attended during FY 2025-2026</p>	<p>6</p>	<p>5</p>
<p>No. of shares held in the Company as on 31st March, 2026</p>	<p>Nil</p>	<p>Nil</p>
<p>Relationship with other Directors and KMPs</p>	<p>Mr. Arun Kumar Malhotra is not inter-se related to any other Director of the Company.</p>	<p>Ms. Smita Mankad is not inter-se related to any other Director of the Company.</p>

Annexure B

Statement as required under Schedule V of the Companies Act, 2013

(with reference to Resolution at Item No. 5)

I. General Information:

(i) Nature of Industry:

The Company is in the business of manufacture of Commercial vehicles.

(ii) Date or expected date of commencement of commercial production:

The Company was incorporated on 26th July 1983 and commenced its commercial operations in the year 1986.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

(iv) Financial performance based on given indicators - as per audited financial statements for the year ended 31st March, 2026 :

Rs (in crores)

Particulars	FY 2025-26	FY 2024-25
Revenue from operations	2837.92	2398.99
Net Profit/ (Loss) in accordance with Section 197 of the Companies Act, 2013	216.79	163.99
Profit/ (Loss) Before Tax	213.95	162.38
Profit/ (Loss) After Tax	159.75	121.67
Net Worth	519.34	382.66

(v) Foreign investments or collaborators, if any:

Sumitomo Corporation, Japan, the erstwhile promoter of the Company and Isuzu Motors Limited, Japan, a public shareholder, on 26th April 2025, entered into a Share Purchase Agreements (“SPAs”) with Mahindra & Mahindra Limited (M&M), to sell their respective equity stake in the Company.

Pursuant to the aforesaid SPAs, M&M, on 1st August 2025, completed the acquisition of (a) 63,62,306 equity shares constituting 43.96% of the equity share capital of the Company from Sumitomo Corporation and (b) 21,70,747 equity shares constituting 15.0% of the equity share capital of the Company from Isuzu Motors collectively aggregating to 85,33,053 equity shares constituting 58.96% of the existing share capital of the Company. Accordingly, M&M has acquired sole control of the Company and has been classified as a ‘Promoter’ of the Company w.e.f. 1st August, 2025.

II. Information about the appointee(s):

(i) **Background details and Past remuneration during FY 2025-26:** Profile of the Independent Directors and Remuneration details are covered in **Annexure A** to the notice of AGM.

(ii) **Recognition or awards:** Nil

(iii) Job Profile and suitability:

Mr. C.S. Verma, Independent Director

Mr. Ravi Venkatraman, Independent Director (appointed w.e.f. 1st August 2025)

Mr. Arun Kumar Malhotra, Independent Director (appointed w.e.f. 1st August 2025)

Ms. Smita Mankad, Independent Director (appointed w.e.f. 1st August 2025)

All the above mentioned Directors are persons of integrity and possess appropriate skills, expertise, knowledge and qualifications in their respective field which are beneficial to the interests of the Company.

(iv) Remuneration proposed, Notice period and Severance fees, etc.:

As per the details given in the Resolution No. 5 of the Notice.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company and the profile of Independent Directors, the responsibilities shouldered by them including representation on the Board and its Committees and the industry benchmarks, the remuneration proposed to be paid to them is commensurate with the remuneration package(s) paid to similar senior level counterpart(s) in other companies.

(vi) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration referred to in Resolution No. 5 of the Notice, the Independent Directors does not have any other pecuniary relationship with the Company or relationship with any managerial personnel of the Company.

III Other Information:

(i) Reasons of loss or inadequate profits:

The Company has earned adequate profits during FY 2025-26.

(ii) Steps taken or proposed to be taken for improvement: Not Applicable

(iii) Expected increase in productivity and profits in measurable terms: Not Applicable

(iv) Disclosures:

The information and disclosures of the remuneration of the Independent Directors have been provided in the Resolution No. 5 to the Notice.



+ HOSPITAL

EMERGENCY

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IPO →
PHARMACY →
LABORATORY →
PARKING →

SML
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108
SML
ADVANCED LIFE SUPPORT
AMBULANCE
SML
GS AMBULANCE

Trucks & Buses



SML _____
mahindra

SML MAHINDRA LIMITED

Registered Office & Works

Village Asron, Distt. Shahid Bhagat Singh Nagar

(Formerly Nawanshahr) Punjab-144533

Tel: +91-1881-270260/270155

Corporate Office

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