Sharda Motor Industries Ltd.

SMIL: LISTING: 2026-27/0109/01 **September 01, 2026**

BSE Limited (BSE)
Department of Corporate Services
Pheroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited (NSE)
Exchange Plaza,
5th FloorPlot No. C/1, G Block
Bandra - Kurla Complex, Mumbai - 400 051

(SCRIP CODE - 535602)

(Symbol - SHARDAMOTR) (Series - EQ)

Sub: Submission of Annual Report.

Ref: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

In pursuant to Regulation 34(1) and other applicable regulations of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"), please find enclosed herewith Annual Report for Financial Year 2025-26 and the notice of 41st Annual General Meeting of the company scheduled to be held on Thursday, September 24, 2026 at 12:00 Noon (IST), through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), to transact the business set as out in the Notice of the AGM.

The Annual Report for the financial year 2025-26 and the Notice of AGM are also available at the website of the Company i.e www.shardamotor.com under "Investors Relations" Section. The Company has commenced and completed the dispatch (by electronic means only) of the Notice of AGM and the Annual Report for FY 2025-26 today i.e. September 01, 2026 to those Members of the Company whose e-mail addresses are registered with the Company/Registrar & Transfer Agent/Depository Participants as on Tuesday, August 25, 2026.

Further, in accordance with Regulations 36(1)(b) of SEBI (LODR) Regulations, 2015, a letter is simultaneously sent to those shareholders whose e-mail addresses are not registered with the Company/Registrar & Transfer Agent/Depository Participants as on Tuesday, August 25, 2026, providing the weblink of Company's website where the Annual Report for FY 2025-26 and the Notice of AGM are available.

This is for your information and record.

Thanking you,

Yours faithfully,

For Sharda Motor Industries Limited

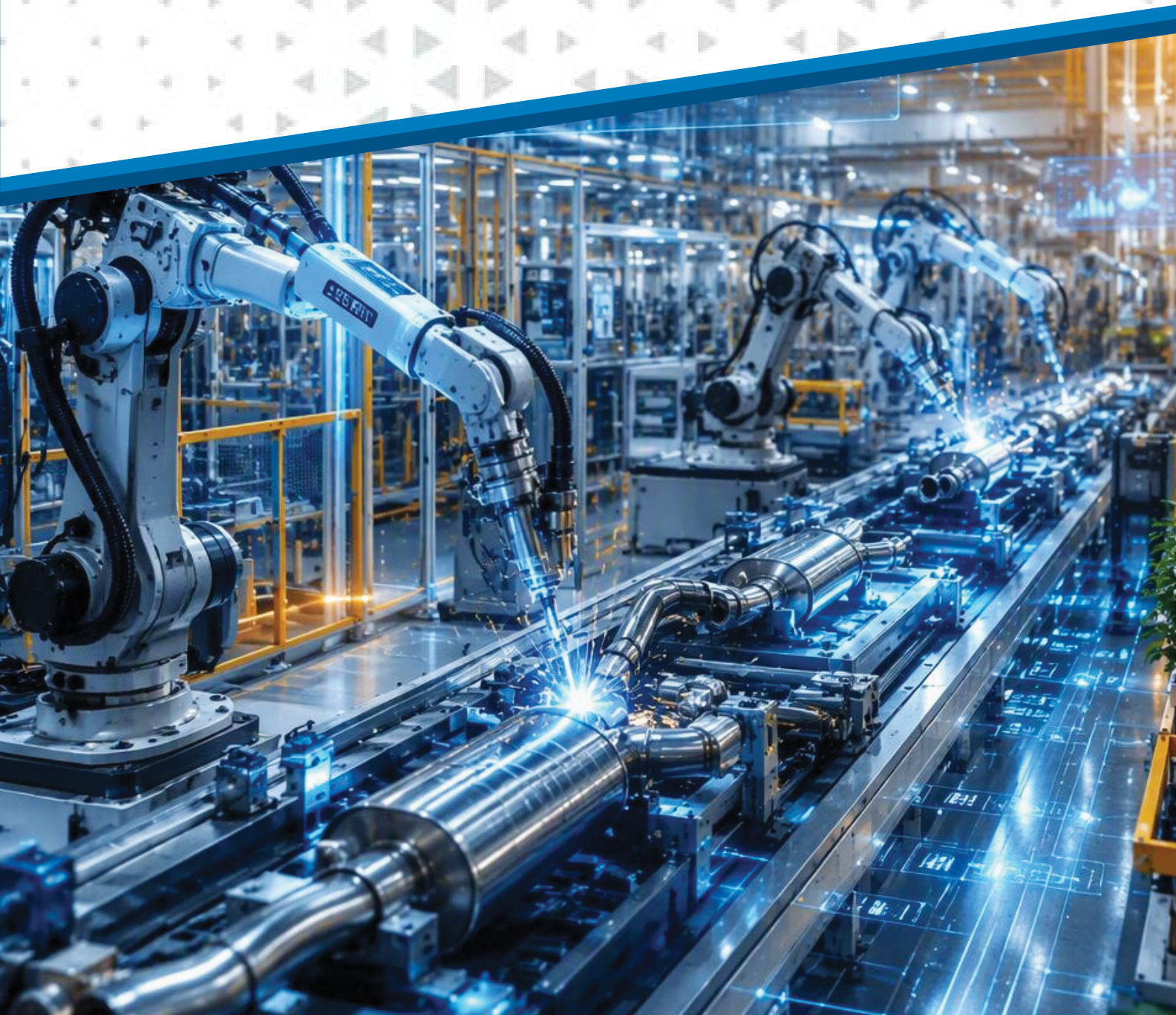
Iti Goyal
Digitally signed by Iti Goyal
Date: 2026.09.01 15:31:58 +05'30'

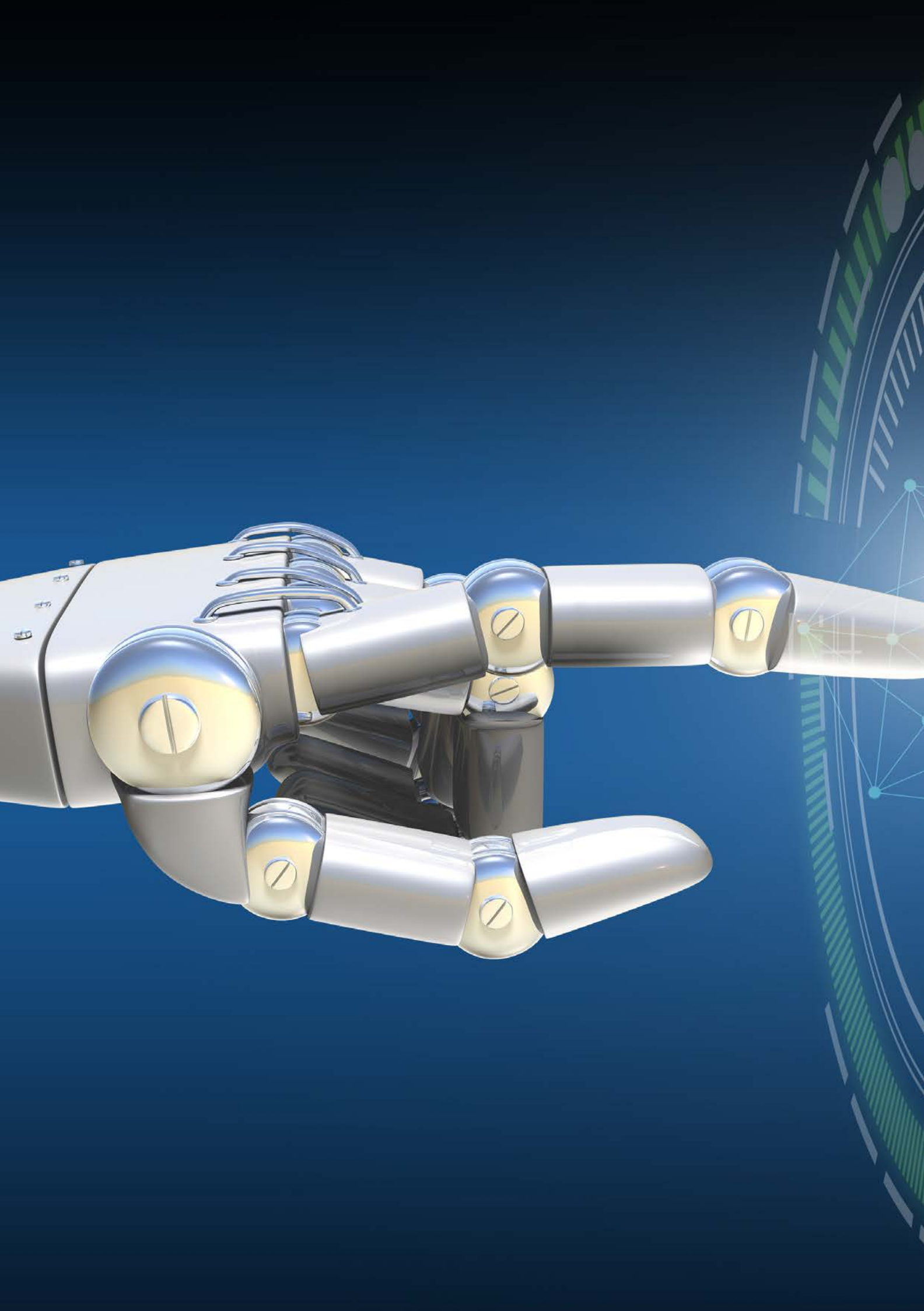
Iti Goyal
Asst. Company Secretary
& Compliance Officer
Encl. as above

SHARDA MOTOR
INDUSTRIES LIMITED

41st Annual Report

FY2025-26





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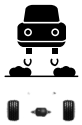
Corporate Overview



Head office in
New Delhi, India



1000+
On-Roll Employees



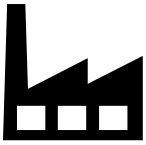
Business Verticals

Emission Control

Lightweighting Business

Global Business

Supply Chain Management



09
Manufacturing Facilities

Chennai– 2, Pune– 3, Nashik – 2, Sanand - 1, Uttarakhand - 1



FY 26 Revenue:
₹ 33,968 million
(~361 Mn$)

FY 26 EBITDA:
₹ 4,190 million
(~45 Mn$)



~30%
% Value market share for PV & LCV Emission System

~14%
Value market Share for PV & LCV Control Arms & Links



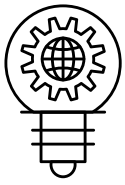
Segments Served

Passenger Vehicles

Commercial Vehicles

Tractor & CEV

Genset



1 R&D Centre in Chennai, India

1 Design & Development Centre Namyang, South Korea

125+ R&D Manpower



Patents Granted:

Filed 24 patents & 4 patents granted over last 4 years



Leading Industry Certifications

IATF 16949:2016

ISO 14001:2015

ISO 45001 :2018

SHARDA MOTOR INDUSTRIES LIMITED

Sharda Motor The journey so far

SHARDA MOTOR INDUSTRIES LIMITED

1986
Inception of Sharda Motor Industries

1987
IPO & Listing at Delhi Stock Exchange

1994
Launch of 1st large scale production unit & entry into Trim business

1998
Foray into Exhaust Systems business with the Chennai unit

2002
Ventured into Suspension assembly business & established R&D unit for exhaust system

2007
Investment in Backward Integration (MWC Plant)

2010
Established R&D for Emission Control Systems

2013
1st In-house development of Cold End & Hot End system

2016
Entry into Tractor emission system

2019
Joint Venture with Purem, Germany

2020
BS 6 Products SOP

2020
Demerged- Seating Business

2023
Set up Plant - II at Chakan

2023
BS6 RDE SOP & TREM IV Products

2024
Establishment of Global Business Vertical & 3 Patents Granted

2025
Establishment of Lightweighting Vertical & Setting up Plant - III at Chakan

2026
Set up plant in Uttarakhand

Our Facilities

State-of-the-art manufacturing facilities located at the heart of India's automotive clusters

Uttarakhand

- Emission Control Systems

Sanand

- Emission Control Systems

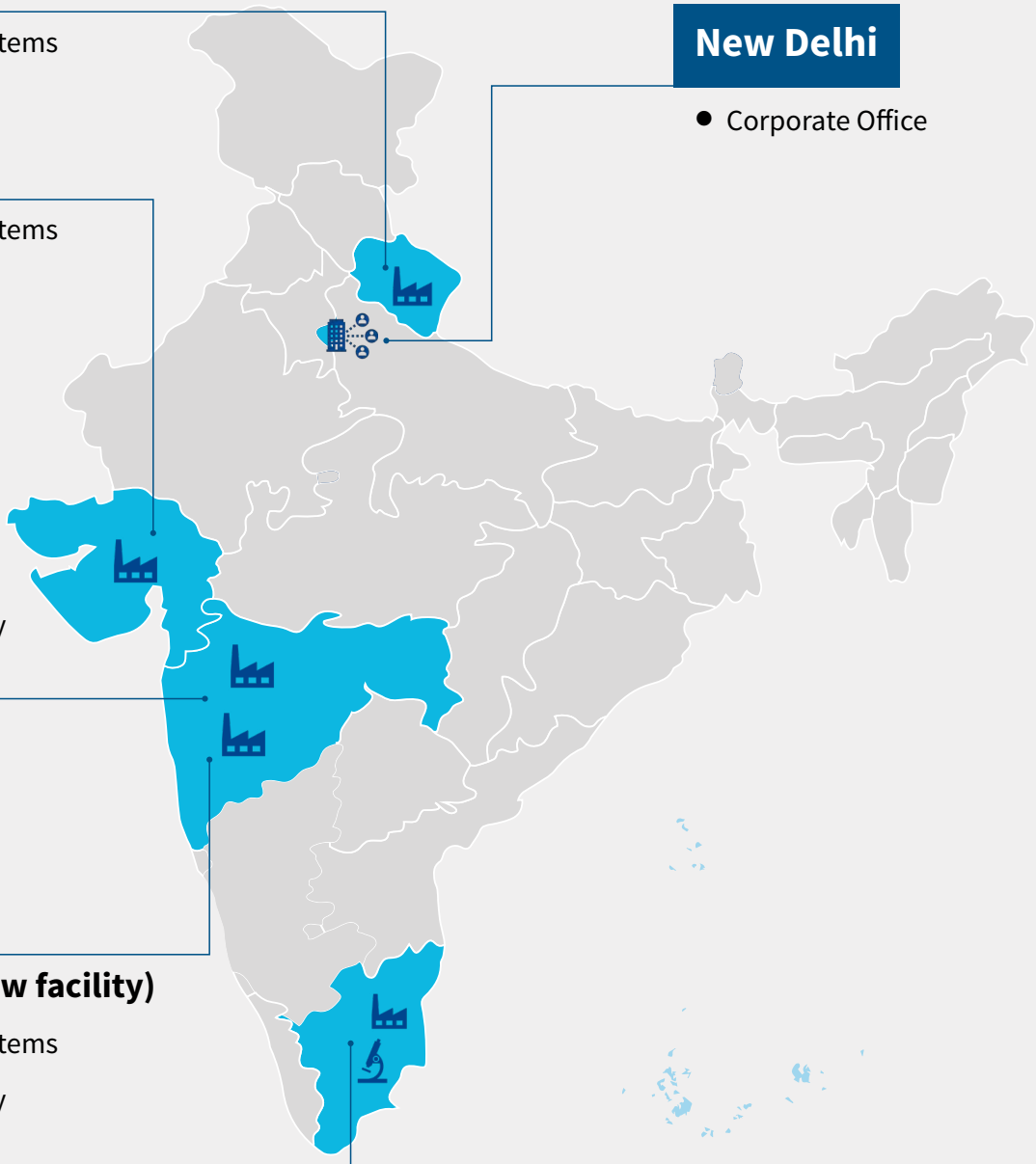
Nashik

2 facilities

- Emission Control Systems
- Roof Systems
- Suspension Assembly

New Delhi

- Corporate Office



Chakan

3 facilities (incl. new facility)

- Emission Control Systems
- Suspension Assembly

Chennai

2 facilities

- Emission Control Systems
- Tube Mills
- R&D Facility

Corporate Office Manufacturing facility R&D Facility

Overview | Emission Control Vertical

From an idea to its manufacturing, Sharda Motor leads the market in this category

SHARDA MOTOR INDUSTRIES LIMITED

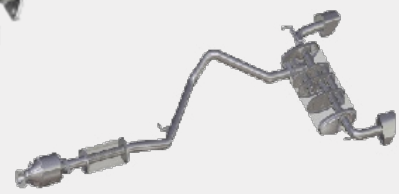
- **~30%** Value Market Share in India for the passenger vehicle & Light Commercial Vehicle segment.
- **Serving Multiple Segments & OEMs:** Collaborating with multiple OEMs in PV, CV and Off-road segments.
- **Global Collaboration:** Joint venture with Purem* (formerly Eberspächer).
- **Strong R&D capabilities:** In-house design and testing capabilities for exhaust systems (ATS, Emission, NVH)
- **Patents Granted:** Filed 24 patents, of which 4 have been granted over the last 4 years.
- **Comprehensive Customer Base:** Catering to both domestic and international markets.
- **In-house Stamping Capabilities:** Operating 3 stamping plants for critical components.
- **Advanced Tube Mills:** 2 mills producing stainless steel and aluminized steel tubes for exhaust systems.
- **Proximity to Customers :** Facilities spread across key automotive hubs in India, which also optimize logistics



PV BS VI Diesel Hot End System



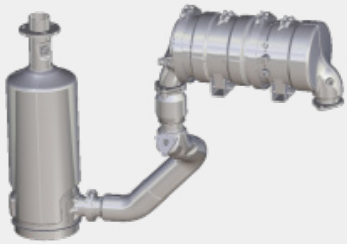
PV BS VI Petrol Hot End System



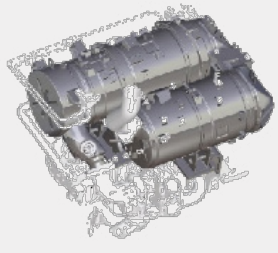
PV BSVI Cold End System



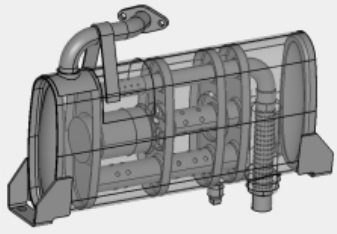
MHCV System (DOC+DPF+SCR)



Tractor Stage V (DOC + DPF + SCR)



CEV /IA System (DOC+DPF+SCR)



Generator Muffler

Overview | Lightweighting Vertical

From an idea to its manufacturing, Sharda Motor is one of the fastest growing player in this product category

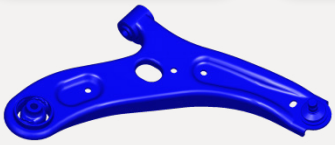
~14% value market share for Passenger vehicle & Light Commercial Vehicle Control Arms in India

Strategically Located Manufacturing Facilities to optimize logistics and supply chain efficiency.

Supplying products for use in all powertrains (including leading EV Launches).

Comprehensive Services from design to validation.

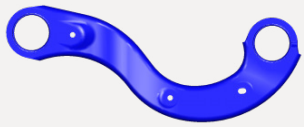
End-to-End support including development, project planning, testing, and validation.



Upper Control Arm LHS



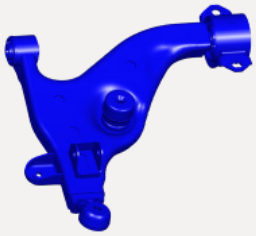
Upper Control Arm RHS



Rear Suspension – EV Links



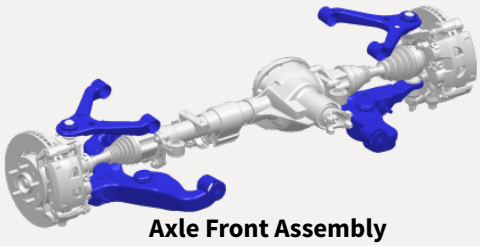
Lower Control Arm LHS



Lower Control Arm RHS



Rear Suspension – Rear Links



Axle Front Assembly

Enhancing Lightweighting Portfolio-TLA Signed With Donghee Industrial Co. Ltd., Republic of Korea

DONGHEE Guide the Vehicles



Control Arm



Links



Subframe



Torsion Beam

- Strengthening existing control arms and links business with cutting edge technology.
- Adding new products- Subframes and Torsion Beam.
- Increasing Content Per Vehicle of Lightweighting portfolio to Rs.6K to Rs.18K from current level of Rs.2K to Rs.8K
- Strategically positioning SMIL to gain market share in existing business and develop new business opportunities
- Global player specialising in chassis, Lightweighting, body-in-white, fuel tank, and pedal module technologies
- USD 2 billion Revenue (CY2024)
- 17 plants & 6 R&D centres across South Korea, Europe, China, USA, Mexico
- Strategic partner of 20+ Global OEMs including Hyundai, Kia, VW, and Stellantis

Targeting the biggest markets with our core capabilities

SHARDA MOTOR INDUSTRIES LIMITED

Key Marketscore Capabilities

USA

Europe

Key Segments

Commercial Vehicle

Genset

CEV

Tractor (Under 100 HP)

Select Target Products



Tractor Components (DOC, DPF, SCR)



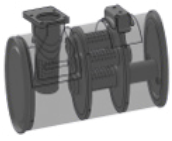
Genset Hot End



SCR Outlet Assembly



Exhaust Pipe



Genset Muffler



CEV Components (DOC, DPF,SCR)



Heat Shield



Temperature Controlled Tubes

Capitalizing on emerging theme of 'China+1' to grow revenues from overseas customers

Over the last few years, on the back of supply chain issues led by the COVID-19 pandemic and trade war shocks, trade relations between US, EU and China have been disrupted. In addition, new emission norms have also been introduced in EU & US. **Both trends put together give a great opportunity for exports from India.**

(In USD Million)

			Total Market Size
CV Emission Components	850	250	1,100
Tractor Emission & Muffler Systems	50	35	85
Genset Emission & Muffler Systems	120	105	225
Heat Shields	50	50	100
Temperature Controlled Tubes	170	140	310

Dedicated Global Business Team for expansion of exports

Strategic R&D investments leading to world class technology and products in emission control systems

Acceptability from marquee global customers an endorsement of quality

Key favourable Market Trends shaping our Growth Strategy

LIGHTWEIGHTING TREND

Strong requirement for **Lightweighting** due to Multi powertrains, upcoming **CAFÉ norms** & **Safety requirements**

Consolidating market for **high tensile control arms**

Few local players with **new age lightweighting technology**

CHINA + 1

China + 1 theme & **New emission norms** being introduced in Europe & USA , both put together giving a great opportunity to **increase exports** from India

EMISSION NORMS REGULATION

Tightening Emission norms & **BS 7 introduction** will **increase content & lead to market consolidation** due to technology requirements

LOCALISATION DRIVE

Customers are driving **localisation** as priority due to geopolitical situations & **Government incentives** giving a good opportunity for Indian Partners for **TAJVs** in new products

Lightweighting emerges as one of the key megatrends for Auto OEMs globally

Drivers of Lightweighting

CAFÉ Norms (CO_2 emission regulation)

- To **reduce Co_2 emission** by lowering fuel consumption
- Serves twin purpose of Govt- **Reducing oil imports** and **controlling pollution**

CAFÉ Norms CO2 target roadmap

- Phase 1 (2017 – 22) - **130 g/km** > Café III (expected **2027**) – **91.7 g/km**
- Phase 2 (Post 2022) – **113 g/km** > Café IV (expected **2032**) – **70 g/km**

Multiple Powertrains & EV Penetration

- **Multiple Powertrains** require lightweighting to preserve efficiency, performance & regulations
- Focus will be on **powertrain agnostic lightweighting** components
- Entry-level cars offer a range of **250-300 KM** while ideal range is **400-500 Km.**
- **10% weight reduction** can improve **EV range** by **13.7%**
- Potential for **structural batteries** to **reduce weight** by **10%**

Advanced Safety Regulations

- Lightweighting is essential to **balance safety** with **weight reduction**
- **Ultra-high-strength steel** & **aluminum** can improve **crash worthiness.**
- Lightweight materials exhibit better **handling** and **stability**

Key Future Growth Areas

Scaling up the Lightweighting Vertical

- Increasing Market Share in control arms & axle assemblies
- Adding products/content per car by harnessing new age lightweighting processes
- TA/JVs focused on strengthening Lightweighting

Growing revenue from exports with focus on Europe & USA Markets

- CV emission components
- Temperature controlled Tubes and Heat Shields
- Genset emission & muffler systems
- Tractor emission & muffler systems

Capturing opportunities in increasing domestic addressable Market & Adjacencies

- BS 7 to increase content per engine & lead to market consolidation
- Adding business in temperature controlled pipes/heatshields for Off highway & CV Customers

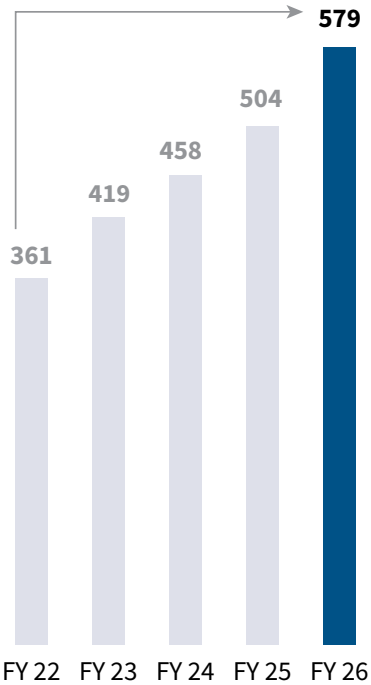
M&A in Powertrain Agnostic Products & entry into adjacent exponential markets

- TA/JVs to support customers in localisation of key powertrain agnostic products
- TA/JVs for entry into adjacent exponential markets (Synergy components for Drones, Robotics, AI Data Centres)
- Domestic focused Acquisition in Powertrain Agnostic products

State-of-the-art, future-ready capabilities

Sharda Motor has invested in its units

Gross Tangible Assets
(INR crores)



Fully-backward integrated manufacturing facilities ready for incremental growth without capex

Tube Mill Manufacturing - (Backward Integration)

- Wide product range of ERW tubes in the industry conforming to national / global standards & customer specific requirements.
- Centralized manufacturing unit at SMIL-MWC for the ERW Tubes for serving national market with two facilities with diverse diametrical manufacturing capabilities.



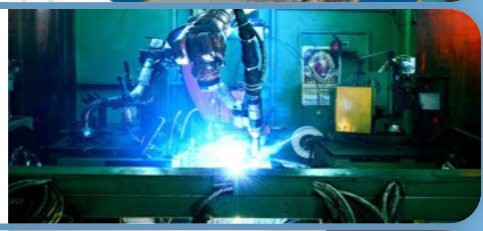
Stamping Facilities

- Stamping facilities spread across Chennai, Nashik and Sanand
- 50+ stamping machines located across India



Welding Capabilities

- DC Welding, DC Pulse Welding, CMT Welding and Micro MIG welding capabilities
- Improved quality to meet transition requirements to BSVI standards



Testing & Prototyping Facilities

- End-to-end testing capabilities, fully equipped with hot vibration lab, flow lab, semi anechoic chamber, thermal lab, engine testing lab and prototyping shop



State-of-the art Research and Development set up

State-of-the-art R&D facility at Chennai









Established R&D unit **for exhaust system in 2002 and emission control system in 2010** at Mahindra World City, Chennai

A state-of-the-art facility to **Design, Simulate, Testing and Prototype of exhaust system** for PVs & CVs as well as non-automotive applications

R&D Centre has the full capabilities to cater to various **emission norms ranging from BS6, BS6.2, TREM5, STAGE5, TIER4 & TIER5**

125+ Trained and skilled engineers for Design, CFD, FEA & Acoustics

IATF 16949-2016 Certification

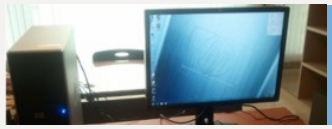
Design & Development Centre at Namyang, South Korea

Established in **2011,** working with **Strategic Customers** and Sharda Motor's **INDIA R&D** for exhaust systems.

4 trained and experienced engineers with over **20 years of design, CFD and testing** experience



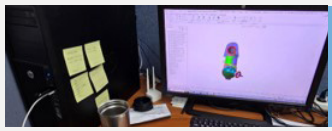
Siemens SCADAS Mobile (Acoustic test machine)



CATIA (design tool)



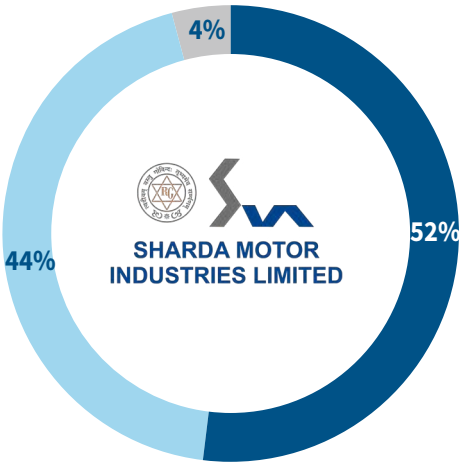
DAQ (RLDA test machine)



PRO-E (design program)

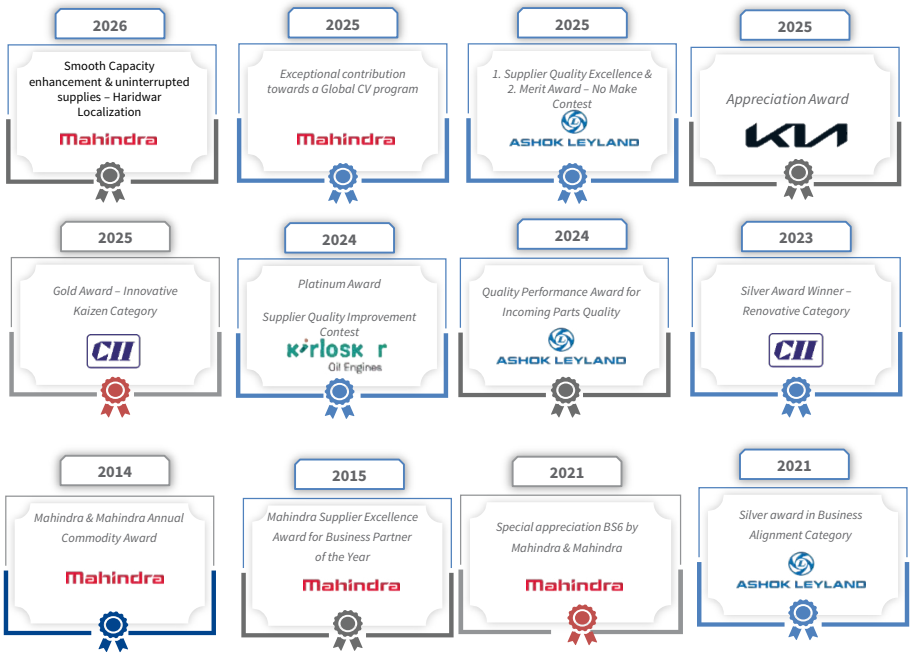
Catering to customers across vehicle segments

FY26 Consolidated Revenue from Operations split by end-user vehicle segment (%)



Split in revenues between passenger vehicles and commercial vehicles insulates business from cyclicity specific to vehicle segments

Sharda Motor is well recognized for its quality and reliability

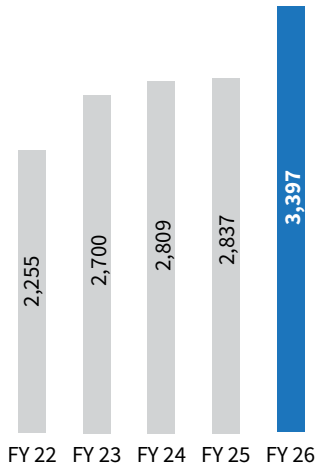


Financial Trends

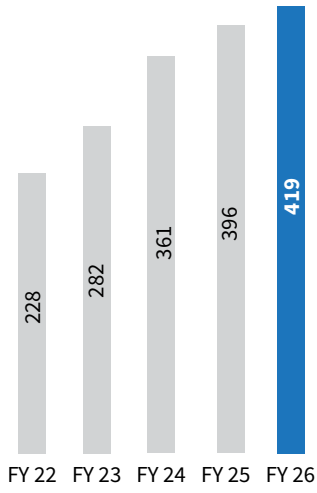
SHARDA MOTOR INDUSTRIES LIMITED

Consistent growth momentum across Key Financial Metrics

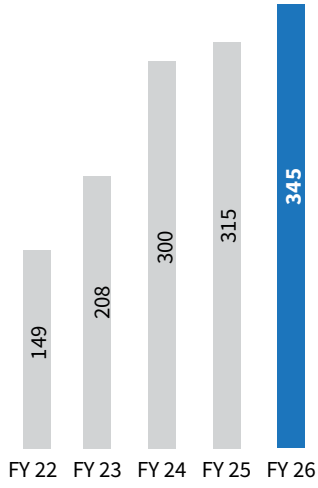
Revenue from Operations



EBITDA



PAT



*all figures are in INR Crores

Revenue growth driven by:

Successive emission norm upgrades (BS-VI to BS-VI RDE) structurally increasing content and complexity per vehicle

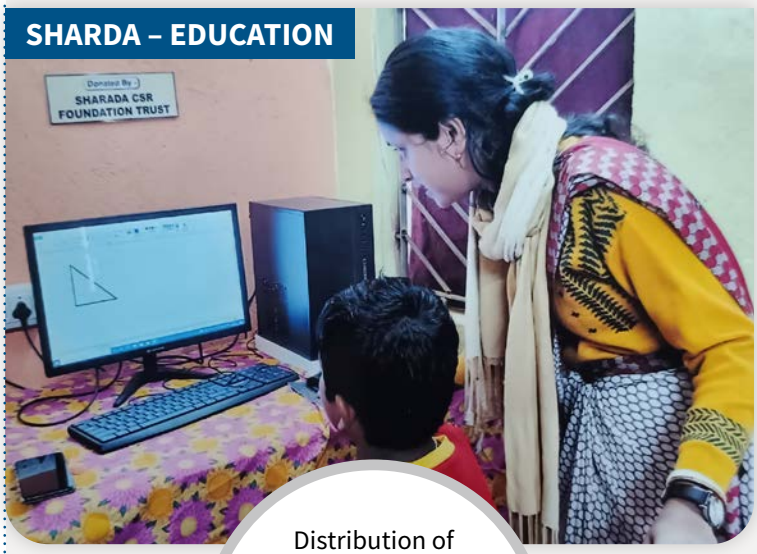
Strong industry volume growth across PV, LCV and three-wheelers segments, supported by strong festive season demand, tax cuts and policy-driven demand tailwinds in FY26

Expanding business verticals in lightweighting, thermal management and exports adding incremental revenue streams



Corporate Social Responsibility – Sharda CSR Programmes

SHARDA – EDUCATION



Distribution of computers to support digital learning and improve access to technology for students

SHARDA - SUPPORT



Distribution of sweaters to children during the winter season for supporting community well-being.

SHARDA - HEALTH







Community health through clinics, ambulance services, health check-up camps, installation of essential medical support equipment and infrastructure development of Hospital

Operations overseen by well-experienced board...



SHRI KISHAN PARIKH
Chairperson, Non-Executive Non-Independent Director

- 35+ years of experience in the field of Business Management
- Holds Bachelor's Degree in commerce and has been associated with Jamshedpur Beverages, Pebco Motors Limited and implemented ISO 9001-2000 in favour of Pebco Motors Limited



SHRI AJAY RELAN
Managing Director

- Dynamic entrepreneur contributing vast experience in manufacturing automobile components, setting up new projects and their successful implementation
- Completed his B.Com (Hons.) & took three years of training from Harvard Business School, U.S.A.



SHRI NITIN VISHNOI
Executive Director & Company Secretary

- 34+ years of experience and expertise in Corporate Restructuring, Compliance Management and Corporate Governance
- Fellow member of the Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce with Honours



SHRI NAVIN PAUL
Independent Director

- 40+ years of work experience in Automotive Industries and has been associated with Escorts Limited, Ashok Leyland Limited, Bosch Limited and Sunbeam Auto Private Limited.
- Eminent Expert on Automotive Components in the Expert Advisory Group (EAG) to Minister & Ministry of Road Transport & Highways (Govt of India).



SMT. SARITA DHUPER
Independent Director

- 40+ years of experience in the field of Medicine and specialisation in the fields of Pediatrics & obstetrics/ Gynecology and Cardiology
- Holds Bachelor of Medicine & Bachelor of Surgery (MBBS) & Doctorate in Medicine from Maulana Azad Medical School, Delhi University



SHRI UDAYAN BANERJEE
Independent Director

- Led several teams for successful setting up of Manufacturing Units of Automobile Components
- 52+ years of experience with various reputed organizations including Bata Shoes Limited, Stepwel Industries Limited
- Holds Master's Degree in Earth Science from IIT Kharagpur and also holds a diploma in work-study from Work Factor Co. of USA

Leadership Team - Complimented by experienced Senior Management



SHRI AJAY RELAN
Managing Director

- Dynamic entrepreneur contributing vast experience in manufacturing automobile components, setting up new projects and their successful implementation
- Completed his B.Com (Hons.) & took three years of training from Harvard Business School, U.S.A.



SHRI AASHIM RELAN
Chief Executive Officer

- Responsible for managing the Supply Chain, Operations, Strategy & Innovations
- Recognized as one the youngest business leaders in the country
- Graduated in Finance & Economics from Emory University, Atlanta & has various other business certifications



SHRI ASHWANI MAHESHWARI
Deputy Managing Director

- 31+ years of experience in leading Domestic and International Businesses for effective turnaround and strategic transformations across products, customer segments and sectors.
- B.E. in Mechanical Engineering from IIT Roorkee with Sloan Fellowship, MBA from London Business School, EDP from The Wharton School and ADP from Stanford University



SHRI GHAN SHYAM DASS
Chief Financial Officer

- 25+ years of experience of working in a wide spectrum of industries including Automotive.
- Has managed large organic and inorganic growth projects besides critical transformation initiatives for creating shareholder value.
- Qualified CA and CMA



SHRI NITIN VISHNOI
Executive Director & Company Secretary

- 34+ years of experience and expertise in Corporate Restructuring, Compliance Management and Corporate Governance
- Fellow member of the Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce with Honours



SHRI DEEPAK MANCHANDA
CEO Global Business

- 29+ years of rich experience in a spectrum of Automotive, Aerospace, and Defence industries
- PG Diploma in Business Management with a specialization in Marketing & Systems from IMT Ghaziabad, and certification in Masters in Mechanical Engineering from CIIMS Nagpur



SHRI DEEPAK BHASKAR

Senior Vice President & Head - People Officer

- 25+ years of HR leadership experience across automotive & engineering sectors. Drives people practices with focus on organization design & talent management,
- Holds an Executive MBA from MDI Gurgaon, MBA (HRM) from Symbiosis Institute, Pune, and is a graduate of the National Defence Academy



SHRI DNYANESH DANDEKAR

Senior Vice President- Research and Development

- 27+ years of experience in development of new products, new technologies as new features in existing products
- Completed his B.E. Mechanical & M.E. Thermal Engineering from Govt. College of Engineering, Karad & Executive MBA from SPJIMR, Mumbai



SHRI K K SHARMA

Chief Manufacturing Officer

- Seasoned specialist in cost-saving strategies and plant operations. Expertise spans across Customer Relationship Management, Project Management, Industrial Relations, Cost Saving Strategies and Plant Operations
- Hold's a B.Com. from Delhi University, Executive Education Programme in Strategy Formulation and Execution from the ISB and Senior Management Programme from IIM, Kozhikode



SHRI PARAMJEET SINGH

Senior Vice President- Sales & Business Development

- Diverse skillset includes Quality Control, Customer Service and Business Development
- He is a Graduate of Commerce from CCS University, Meerut, and holds an MBA from ICFAI University, Tripura

FROM THE MD'S DESK



New Areas of Growth

"Progress made in the year gone by is truly encouraging and confirms that we are on our path to realise the benefits of new growth levers"

Dear Valued Stakeholders,

FY 2025-26 was a year in which the world tested its own assumptions around supply chains, trade relationships, and the pace of technological change. For Sharda Motor Industries, it was also a year in which we tested and confirmed our own strategic direction.

The Indian automobile industry delivered a strong performance across the year. Passenger vehicle production grew 9.4% to 55.39 lakh units. Light commercial vehicles grew 11.2% to 7.12 lakh units. Tractors, three-wheelers, and two-wheelers all registered meaningful growth, supported by GST rationalization, successive repo rate cuts by the Reserve Bank of India, and personal income tax relief that collectively improved affordability and consumer sentiment. The policy environment in FY26 was among the most supportive we have seen in recent years, and the industry responded accordingly.

This dynamic environment reinforced the importance of building a business that is not only resilient to cyclical shifts but also adaptable to structural changes underway in the global automotive ecosystem. At Sharda, our focus remains on anticipating these shifts early, aligning our capabilities with emerging customer needs, and ensuring that each strategic decision strengthens our long-term relevance in an increasingly complex and competitive landscape.

Building Powertrain-Agnostic Business

When I look back at FY26, what stands out most is how deliberately we have repositioned Sharda beyond its origins as an emission-focused supplier. That repositioning took concrete shape this year.

Our lightweighting vertical continued its strong trajectory. We ramped up our suspension plant in Chakan, commenced SOPs on previously announced programs, and grew our market share in control arms and links to approximately 14% in FY26, up from 12.5% in FY25. This vertical now constitutes

approximately 10% of our gross sales. More importantly, the order book we have built in FY25 and FY26 points to a significant growth in this vertical by FY28 relative to our FY26 base. This supports higher powertrain-agnostic content per vehicle and reduces dependence on emission led growth.

In October 2025, we entered into a Technology Licensing Agreement with Donghee Industrial Company Limited of South Korea, a global Tier 1 chassis and suspension specialist with revenues exceeding $2 billion. This agreement strengthens our existing control arm and links business with global-level technology and extends our portfolio into higher-content subframes & torsion beams. The addressable content per vehicle from our combined lightweighting portfolio has increased significantly. As OEMs increasingly prioritize platform standardization across multi-powertrain architectures in response to evolving CAFE norms and efficiency requirements, we are well positioned to capture a growing share of that content.

We continued our strong focus on R&D this year, augmented our facilities to support control arms & links development. Our innovation pipeline continued to grow, with 22 patents filed in total and 4 patents awarded by the end of FY26.

Global Business: From Aspiration to Execution

The global operating environment in FY26 was defined by geopolitical volatility, tariff uncertainty, and accelerating supply chain diversification among OEMs in Europe and North America. For a well-prepared, India-based manufacturer, this represented opportunity.

We made meaningful progress with our export strategy during the year. The focus is to convert India's manufacturing competitiveness into long-term global sourcing relationships. We secured export orders from various customers including the largest engine and genset manufacturer in North America & Top 3 global agricultural equipment manufactures. We also received a strategic first pilot order from a large US-based heavy industry emission company, giving us entry into another US CV OEM.

The India-US and India-EU trade deals announced during the year are structural tailwinds. They improve long-term sourcing confidence among global OEMs and Tier 1 suppliers and increase India's relevance as a manufacturing base for emission systems, thermal management components, lightweighting products, temperature-controlled tubes, and heat shields. Our product capabilities map directly to what these customers are looking for.

Emission Business and Adjacencies

Our core emission business, which contributed 88% of revenues across PV and CV segments in FY26, remained steady and continued to be the foundation of our financial performance. We maintained strong quality and delivery standards across our customer base.

On the adjacency front, the SOP of temperature-controlled tubes for one of the largest off-highway manufacturers in India was an important milestone. This strengthens our position in thermal management and creates a platform to build further business in this product category, which has sizeable global addressable market.

On BS7, we have commenced readiness work by benchmarking against global developments and engaging with customers on future system requirements.

Infrastructure and Capital Allocation

We commissioned a new lightweighting facility at Chakan and initiated a new modular, scalable facility in Uttarakhand to improve proximity to customers and support future growth in both emission and lightweighting products in Northern region. Our capex for FY27 is directed towards R&D augmentation, readiness for new emission norms, and supporting new program SOPs.

On M&A, our approach remains disciplined but active. Our strong balance sheet gives us the flexibility to deploy capital where there is strategic fit, customer relevance, technology access, export potential and ROCE discipline. We continue to evaluate opportunities in powertrain-agnostic products and lightweighting technologies, with particular focus on cutting edge capabilities.

Financial Performance & Highlights

Revenue Growth: For FY26, our revenues reached ₹3,396.80 crores, reflecting a year-on-year growth of 20% over the previous year.

Profitability: Gross profit, the indicator of our performance, for the year stood at ₹802.80 crores, reflecting an 8% increase, broadly in line with Industry growth. EBITDA rose by 6% to ₹419.10 crores, while PAT grew to ₹345.40 crores as against ₹314.90 crores in FY25.

Balance Sheet Strength: We maintained our zero-debt position and continued to hold a strong surplus on the balance sheet, giving us the flexibility to invest in future growth areas and return value to shareholders.

The automotive industry stands at an inflection point globally, with powertrain diversity, lightweighting imperatives, and supply chain realignment reshaping the competitive landscape. Sharda is building to be the right company for this moment: technically capable, financially strong, customer-aligned, and committed to the disciplined execution that converts portfolio diversification and a stronger order book into sustainable long-term value.

I extend my deep appreciation to every member of the Sharda family for their commitment and perseverance through a year of considerable complexity. To our customers, partners, bankers, and shareholders, thank you for the trust you continue to place in us.

Regards,

Ajay Relan

CORPORATE INFORMATION

BOARD OF DIRECTORS

SHRI KISHAN N PARIKH
Chairperson, Non Executive Director

SHRI AJAY RELAN
Managing Director

SHRI NITIN VISHNOI
Executive Director & Company Secretary

SHRI UDAYAN BANERJEE
Independent Director

SHRI NAVIN PAUL
Independent Director

DR. SARITA DHUPER
Independent Director

CHIEF EXECUTIVE OFFICER
SHRI AASHIM RELAN

CHIEF FINANCIAL OFFICER
SHRI GHAN SHYAM DASS

AUDITORS

STATUTORY AUDITOR
M/s S.R. DINODIA & CO. LLP.
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITOR
M/s. VKC & ASSOCIATES
COMPANY SECRETARIES

COST AUDITOR
M/s. GURDEEP SINGH & ASSOCIATES
COST ACCOUNTANTS

BANKERS
KOTAK MAHINDRA BANK
HDFC BANK
YES BANK

REGISTERED OFFICE
D-188, OKHLA INDUSTRIAL AREA, PHASE - I,
NEW DELHI - 110 020, INDIA
Website: www.shardamotor.com
E-mail: investorrelations@shardamotor.com
Tel.: +91 11 4733 4100
CIN: L74899DL1986PLC023202

NOTICE

SHARDA MOTOR INDUSTRIES LIMITED

(CIN: L74899DL1986PLC023202)
Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi-110020
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676
Email: investorrelations@shardamotor.com
Website: www.shardamotor.com

NOTICE is hereby given that the (41st) Forty-First Annual General Meeting (AGM) of the shareholder of Sharda Motor Industries Limited ("the Company") will be held on Thursday, September 24, 2026 at 12:00 Noon (IST), through Video Conferencing (VC) / Other Audio-Visual Means (OVAM) to transact the following business(es):

ORDINARY BUSINESS:

1. **To consider and adopt the audited standalone financial statement of the Company for the financial year ended March 31, 2026 along with the reports of the Board of Directors and Auditors thereon.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2026 along with the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. **To consider and adopt the audited consolidated financial statement of the Company for the financial year ended March 31, 2026 and the report of Auditors thereon.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2026, along with the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.

3. **To declare a final dividend for the financial year 2025-26.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), a final dividend of Rs. 20/- per equity share of the face value of Rs. 2 each i.e. 1000 % of face value per equity share, be and is hereby declared for the Financial Year 2025-26."

4. **To re-appoint Shri Kishan N Parikh (DIN: 00453209), who retires by rotation, being eligible and offers himself for re-appointment as Director of the Company.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provision of Section 152 of the Companies Act, 2013, Shri Kishan N Parikh (DIN: 00453209), who retires by rotation at this Annual General Meeting and being eligible, offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

5. To re-appoint Shri Ajay Relan as a Whole Time Director, designated as "Executive Chairperson" of the Company.

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Articles of Association of the Company and subject to such other approvals, consents and permissions as may be required, and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the members of the Company be and is hereby accorded for the re-appointment of Shri Ajay Relan (DIN: 00257584) as a Whole-time Director of the Company, designated as "Executive Chairperson", for a period of five years with effect from September 01, 2026, liable to retire by rotation in accordance with Section 152 of the Act, on such terms and conditions, including remuneration and perquisites, as set out below:

Basic Salary:

Rs. 35 lakhs per month (in the range of Rs. 25 lakhs to Rs. 40 lakhs per month), as may be mutually agreed between the Board of Directors/Nomination & Remuneration Committee and appointee.

Performance Pay

A performance linked incentive on quarterly / half-yearly / annual basis based on the performance parameters provided that the overall managerial remuneration shall not exceed the limit laid down in the Companies Act, 2013 and Schedules / Rules made thereunder, as decided by Nomination & Remuneration Committee / Board of Directors' and agreed by appointee.

Allowances and perquisites:

1. House maintenance with soft furnishing and amenities like mobile/internet etc. and insurance premium thereof, domiciliary expenses at actuals to cover self-family, medical insurance, term insurance and accidental insurance for self and family, Leave Travel Concession for self and family, Clubs Membership Fees / expenses, use of chauffeur driven Company cars (amount of car Lease, Fuel & Maintenance, Driver) etc.
2. Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
3. Contribution to Provident Fund, Superannuation Fund, National Pension System, Gratuity as per rules of the Fund/ Scheme in force from time to time would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 2025.
4. such other allowances, benefits, amenities and facilities, including those under the Company's Special Post Retirement Benefits Scheme, as amended from time to time, in accordance with the Rules of the Company and as may be recommended by the NRC and approved by the Board.

The value of the perquisites would be evaluated as per Income Tax Rules, 2026 wherever applicable and at cost in the absence of any such Rule. Family means the Spouse, Dependent Children and Parents of the appointee.

FURTHER RESOLVED THAT where in any financial year during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and other entitlements as specified above, subject to limits laid down in the Companies Act, 2013 and Schedules / Rules made there under.

RESOLVED FURTHER THAT the aforesaid remuneration shall be subject to deduction of tax at source and other statutory deductions, as applicable under the provisions of the Income-tax Act, 1961 and the rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents, deeds and writings as may be necessary, expedient or desirable to give effect to this resolution.

RESOLVED FURTHER THAT the remuneration payable to the appointee (including the salary, perquisites and performance pay) does not exceed the limits laid down in section 197 and computed in the manner laid down in section 198 of the Act, including any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT approval of the shareholder is accorded to the Board of Directors of the Company (including any Committee thereof) 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."

6. **To consider and approve the payment of remuneration to be paid to Shri Ajay Relan, Whole Time Director and Promoter of the Company in excess of threshold limits as per Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 17(6)(e)(i) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for payment of annual remuneration to Shri Ajay Relan, Whole-time Director and Promoter, "designated as Executive Chairperson" of the Company, in excess of ₹5 crore or 2.5% of the net profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013, whichever is higher, during his term of appointment as Whole-time Director for a consecutive period of five years commencing from September 1, 2026 and ending on August 31, 2031, in accordance with the terms and conditions of his appointment and remuneration as set out in the Notice of the Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include any Committee thereof and any person(s) authorised by the Board in this regard) be and is hereby authorised to do all such acts, deeds, matters and things, and to execute all such documents, instruments and writings, as may be necessary, proper, expedient or desirable, including making applications to and obtaining requisite approvals from statutory or regulatory authorities, if any, and to settle any question, difficulty or doubt that may arise in connection with or incidental to giving effect to this resolution."

7. **Payment of Remuneration by way of commission to Shri Navin Paul, Non-Executive Independent Director Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {Listing Regulations} (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), on the basis of the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors, the approval of the shareholder be and is hereby accorded for the payment of remuneration by way of performance incentive up to Rs. 20 Lakhs to Shri Navin Paul (DIN:00424944), Non-Executive Independent Director for the financial year 2026-27, towards his professional services to the Company and such remuneration/compensation may exceed fifty percent of the total annual remuneration/compensation payable to all Non-Executive Directors of the Company.

RESOLVED FURTHER THAT the above remuneration shall be in addition to sitting fees being paid to him for attending the meetings of the Board or Committees thereof and reimbursement of expenses for participation in the Board and other meetings.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution**."**

8. **To ratify the Remuneration to be paid to Gurdeep Singh & Associate, Cost Auditors of the Company.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 148 of the Companies Act, 2013, read with rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other permissions as may be necessary and on the recommendation of the Audit Committee of the Company, the shareholder of the Company do hereby ratify the remuneration of Rs. 1,00,000 (Rupees One Lakhs only) excluding applicable taxes and other out-of-pocket expenses payable to Gurdeep Singh & Associate**,** Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of cost records of the specified products for the Financial Year 2026-27.

RESOLVED FURTHER THAT the Board of Directors of the Company [which expression shall include any Committee thereof or any other person(s) as may be authorised by the Board in this regard], be and is hereby authorised to undertake, execute all such acts, deeds, matters and things as they may deem necessary, proper and/or expedient, to apply for requisite approval(s) of the statutory or regulatory authorities, as may be required, to carry out all requisite, incidental, consequential steps and to settle any question, difficulty or doubt that may arise in order to give full effect to this resolution."

By Order of the Board
For **Sharda Motor Industries Limited**

Nitin Vishnoi
Executive Director Company Secretary
DIN: 08538925
M. No.: F3632

Date: August 10, 2026
Place: New Delhi

NOTES:-

1. **Meeting through VC/OAVM:**

MCA has vide its General Circulars No. (i) 14/2020 dated April 8, 2020, (ii) 17/2020 dated April 13, 2020, (iii) 20/2020 dated May 5, 2020, (iv) 10/2022 dated December 28, 2022, (v) 09/2023 dated September 25, 2023, (vi) 09/2024 dated September 19, 2024 and subsequent circulars issued in this regard the latest being (vii) 3/2025 dated September 22, 2025 ("MCA Circulars") and SEBI vide its circulars No. (i) SEBI/ HO/ CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020, subsequent circulars issued in this regard the latest being SEBI/ HO/CFD/CFDPoD-2/P/CIR/2024/133 dated October 3, 2024 ("SEBI Circulars") permitted the holding of the Annual General Meeting through VC/ OAVM, without the physical presence of a Shareholder at a common venue. In compliance with the provisions of the Act, the SEBI Listing Regulations, the MCA Circulars and the SEBI Circulars, the 41st AGM of the Company is being held through VC/OAVM on Thursday, September 24, 2026, at 12:00 Noon IST. The deemed venue for the AGM will be the Registered Office of the Company.

2. **SINCE THIS AGM IS BEING HELD THROUGH VC/OAVM PURSUANT TO THE MCA CIRCULARS & SEBI CIRCULARS, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF SHAREHOLDER AT A COMMON VENUE HAS BEEN DISPENSED WITH, ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE SHAREHOLDER UNDER SECTION 105 OF THE COMPANIES ACT, 2013 AND SS II, WILL NOT BE AVAILABLE FOR THE 41st AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

3. An explanatory statement pursuant to Section 102 of the Act, in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-II and Regulation 36(3) of Listing Regulations pertaining to the Directors proposed to be appointed/ reappointed at this AGM is annexed forming part of this notice.

4. Institutional Investors, who are shareholder of the Company, are encouraged to attend and vote at the 41st AGM through VC/ OAVM facility. Institutional/Corporate shareholders intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through e-voting are requested to send a certified copy of the Board Resolution/ Authority Letter to
   - the Scrutinizer by e-mail at vkc.pcs@gmail.com with a copy marked to Company at investorrelations@shardamotor.com
   - upload by clicking on the "Upload Board Resolution/Authority Letter" displayed under the "e-voting" tab in their login.
5. The shareholder attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act
6. Pursuant to the Regulation 36(1)(b) of the SEBI Listing Regulations, a letter containing the web-link, QR code and the exact path, where complete details of the Annual Report are available, is being sent to all such shareholders who have not registered their e-mail ID with the Company/ DPs.
7. **Circulation of Notice of AGM along with Annual Report electronically** - In line with the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for the financial year 2025-26 is being sent only through electronic mode to those shareholders whose e-mail addresses are registered with the Company/ Depository Participants (DP). Shareholder who intend to receive physical copy of Annual Report may send e-mail to investorrelations@shardamotor.com mentioning their Folio No/ DPID and Client ID.

   The Notice convening the 41st AGM along with the Annual Report for the financial year 2025-26 is also available on the website of the (i) Company at https://www.shardamotor.com/investor-relations/annual-report/ (ii) Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and (iii) CDSL at www.evotingindia.com.
8. The shareholders can join the AGM in the VC/OAVM mode 15 minutes before till 15 minutes after 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 to at least 1,000 shareholder on a first-come first served basis as per the MCA Circulars but this shall not include large Shareholders (Shareholders holding 2 Percent or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Auditors, who are allowed to attend the AGM without restriction on account of first-come-first-served basis.
9. Shareholders may note that pursuant to MCA Circulars, the company has enabled a process for the limited purpose for registration of email addresses for shareholder who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically. Eligible shareholder, holding shares as on cut-off date may temporarily update their email address by sending the request at e-mail Id of the company at investorrelations@shardamotor.com latest by September 10, 2026 pursuant to which, any shareholder may receive on the email address provided by the shareholder, the Notice of this AGM along with the Annual Report 2025-26 and the procedure for remote e-voting along with the login ID and password for remote e-voting.
10. In case of joint holders, the shareholder whose name appears as the first holder in the order of names as per the Register of shareholder of the Company will be entitled to vote through remote e-voting/ e-voting during the AGM.
11. The shareholder can post their queries on financial statements or any agenda item proposed in the notice of AGM by giving due intimation to the Company at least 10 days prior to the meeting at investorrelations@shardamotor.com, or to the Registrar & Share Transfer Agent at rta@alankit.com.
12. 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 the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the shareholder

during the AGM. All documents referred to in the Notice or Explanatory statement will also be available for inspection without any fee by the shareholder from the date of circulation of this Notice up to the date of AGM, (i.e. Thursday, September 24, 2026). Shareholder seeking to inspect such documents can send an email to investorrelations@shardamotor.com.

13. Shareholders may please note that SEBI has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. In line with SEBI norms and to support green initiative shareholder are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website https://www.shardamotor.com/ investor-relations/investor-forms/ and on the website of RTA. It may be noted that any service request can be processed only after the folio is KYC Compliant.

Further, all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, shareholder are advised to dematerialize the shares held by them in physical form. shareholder can contact the Company or the Company's RTA, for assistance in this regard.

14. **Nomination Facility**: As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the shareholder in respect of the shares held by them. Shareholder who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a shareholder desires to opt out or cancel the earlier nomination and record a fresh nomination, they may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from company's website at https:// www.shardamotor.com/investor-relations/investor-forms/ and website of the RTA of the company. Shareholder are requested to submit the said details to their Depository Participants (DP) in case the shares are held by them in dematerialized form and to the company's RTA in case the shares are held by them in physical form, quoting their folio number.

15. Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc.

a) For shares held in electronic form: to their DPs. Changes intimated to the DP will then be automatically reflected in the company's records.

b) Shares held in physical form: to the Registrar at lalitap@alankit.com or rta@alankit.com in form ISR 1, quoting their folio number and enclosing the self-attested supporting documents.

[SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/ CIR/2023/169 dated October 12, 2023 read with SEBI Master Circular No. HO/38/13/(4)2026-MIRSDPOD/I/4298/2026 dated February 6, 2026]

16. **Consolidation of share certificates**: shareholder holding shares in physical form in identical order of names in more than one folio are requested to send to the company or Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

17. **Special window for re-lodgement of physical share transfer requests:**

A special window, as per mandate of SEBI [SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/ I/4298/2026 dated February 6, 2026], is available till February 4, 2027, to facilitate lodgement of transfer requests executed before April 1, 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 February 4, 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 relevant circular is available on the website of the company at https://www.shardamotor.com/investor-relations/investor-forms/.

18. The Register of shareholder and the Share Transfer Books of the company will remain closed from Saturday, September 19, 2026 to Thursday, September 24, 2026. (both days inclusive)

19. **Record Date**: The company has fixed Friday, September 18, 2026, as the "Record Date" for determining entitlement of shareholder to final dividend for the financial year ended March 31, 2026, if approved at the AGM. Payment of dividend shall be made ONLY through electronic mode to those Shareholders who have updated their bank account details.

20. **Dividend**: The dividend, if any shall be paid only through electronic mode as under: -

i. Shares held in electronic form: To all Beneficial Owners as per the details made available by DP as of close of business hours on Friday, September 18, 2026; and

ii. Shares held in physical form: To all shareholder after giving effect to valid transmission or transposition requests lodged with the Company, if any as of close of business hours on Friday, September 18, 2026.

With effect from November 18, 2025, dividend shall be processed only in electronic mode and payment thorough dividend warrants has been discontinued. [SEBI Master Circular no. SEBI/HO/38/13/(4)2026-MIRSDPOD/I/4298/2026 dated February 6, 2026 read with Regulation 12 of the SEBI Listing Regulations].

a) Dividend to Shareholders holding shares in Physical form

Folios of Shareholders should be KYC compliant to receive the dividends directly in their bank accounts through National Automated Clearing System or any other electronic mode of remittance. shareholder are requested to send the following documents to RTA on or before the record date, i.e., Friday, September 18, 2026.

i. Form No. ISR-1 duly filled and signed by the holders stating their name, contact details, folio number,

ii. complete address with pin code and the bank account details;

iii. Original copy of cheque bearing the name of the Shareholder or first holder, in case shares are held jointly;

iv. Self-attested copy of the PAN Card of all holders;

v. Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the shareholder as registered with the Company;

vi. Form ISR 2 duly filled and signed. The signature of holders should be attested by the Bank Manager;

vii. Form SH 13 – Nomination Form or Form ISR-3 – to opt out from Nomination.

The above Investor Service Request Forms (ISR) are available on RTA's website at: https://www.alankit.in/isr-forms.aspx

b) Dividend to shareholders holding shares in Demat Form:

Shareholders may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividends as per the applicable regulations and the Company will not accept any direct request for change/addition/deletion of such bank details. Accordingly, the shareholders are requested to ensure that correct/latest complete bank details are updated against their demat account with their respective DPs. Instructions, if any, already given by shareholders in respect of shares held in physical form, will not be automatically applied to the dividend paid on shares held in electronic form.

21 **Dispute Resolution**: SEBI has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login. Further details in this regard are available on the company's website https://www.shardamotor.com/investor-relations/investor-online-dispute resolution/.

22. **Unclaimed Dividend and Investor Education and Protection Fund**: Shareholders of the Company are informed that pursuant to the provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 or any statutory modification(s) or re-enactment(s) thereof, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education & Protection Fund ("IEPF") constituted by the Central Government and thereafter, no claims shall lie against the Company. Shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the demat account of IEPF Authority as per said rules. The due dates of transfer of the dividends of past 7 years to IEPF are as under:

Financial year ended	Date of declaration of dividend	Proposed due date for transfer to IEPF
31.03.2021	27.08.2021	25.09.2028
31.03.2022	20.09.2022	18.10.2029
31.03.2023	26.09.2023	24.10.2030
31.03.2024	26.09.2024	24.10.2031
31.03.2025	18.09.2025	16.10.2032

The Company have already transferred all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more along with the unpaid or unclaimed dividend for that period to the Investor Education & Protection Fund. shareholders who have so far not claimed their shares/dividends for the said period may claim their dividend and shares from the Investor Education & Protection Fund by submitting an application in the prescribed form.

The shareholders whose unclaimed dividends and/or shares have been transferred to IEPF, may write to the company or RTA and submit the required documents for issue of Entitlement Letter. The shareholders may then make an application to the IEPF Authority in web form IEPF -5 (IEPF Home) by attaching the entitlement letter and other documents.

23. **Tax Deductible at Source:** As per the Income-tax Act, 2025 (the Act), as amended by the Finance Act, 2026, dividends paid or distributed by companies shall be taxable in the hands of the Shareholders. The Company is therefore required to deduct tax at source ("TDS") at the time of making the payment of final dividend.

    To enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit relevant documents, as specified in the below mentioned paragraphs, in accordance with the provisions of the Act.

    I. For Resident Shareholders:

    Tax is required to be deducted at source under Section 393 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / invalid PAN/ PAN not linked with Aadhar/ not registered their valid PAN details in their account or classified as specified person in the income-tax portal, TDS at the rate of 20% shall be deducted under Section 397 of the Act.

    a. Resident Individuals

    No tax shall be deducted on the dividend payable to resident individuals if:

    i. The shareholder provides Form 121 (earlier Form-15G/15H).

    ii. The shareholder provides Exemption certificate issued by the Income-tax Department, if any.

    b. Resident Non-Individuals

    No tax shall be deducted on the dividend payable to resident non-individuals where they provide details regarding their exemptions under income tax Act and relevant documents supporting their exemption and registration certificates along with registration certificates of SEBI with self-attested copy of PAN CARD.

c. In case, shareholders (both individuals or non-individuals) provide certificate for lower/ Nil deduction under Section 395 of the Act, rate specified in the said certificate shall be considered, on submission of self-attested copy to the company.

II. For Non-resident Shareholders

a. *As per Domestic Tax Law*

Taxes are required to be withheld in accordance with the provisions of Section 393 of the Act as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 395 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

b. *As per Double Tax Avoidance Agreement (DTAA)*

As per Section 159 of the Act, the non-resident shareholder has the option to be governed by the provisions of the DTAA between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e., to avail DTAA benefit, the non-resident shareholders are required to submit the following:

i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities.

ii. Self-attested copy of Tax Residency Certificate (TRC) (valid for the year 2026 or Financial Year April 1, 2026 to March 31, 2027) obtained from the tax authorities of the country of which the shareholder is a resident.

iii. Shareholders who have PAN and propose to claim treaty benefit need to mandatorily provide Form 41 (earlier known as Form-10F) online filed at Income Tax Portal to avail the benefit of DTAA.

iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (for the year 2026 or financial year April 1, 2026 to March 31, 2027).

v. A NO PE Certificate/Declaration

vi. In case of Foreign Institutional Investors (FII)/ Foreign Portfolio Investors (FPI), tax will be deducted under Section 393 of the IT Act at the rate of 20% or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

In case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), copy of SEBI registration certificate is also required to be submitted.

vii. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness of documents and satisfactory review by the Company of the same submitted by the non-resident shareholder.

To enable us to determine appropriate TDS rate the aforementioned documents are required to be send to the Company via. e-mail to at investorrelations@ shardamotor. com on or before September 10, 2026, No communication would be accepted from shareholders after September 10, 2026, regarding tax-withholding matters. Shareholders may write to investorrelations@ shardamotor.com for any clarifications on this subject.

TDS certificates in respect of tax deducted, if any, can be subsequently asked via e-mail at investorrelations@ shardamotor.com. Shareholders can also check their tax credit in Form 168 (earlier form 26AS) from the e-filing account at https:// www.incometax.gov.in/iec/foportal or "View Your Tax Credit" on https:// www.tdscpc.gov.in.

24. In compliance with the provisions of Section 108 of the Act, the rules framed thereunder, and Regulation 44 of the Listing Regulations and the MCA and SEBI Circulars, the Company is pleased to provide the facility of remote e-voting to all its shareholders to enable them to cast their votes on all resolutions set forth in this notice electronically. Remote e-voting is optional and not mandatory. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing the facility to cast votes through remote e-voting as well as e-voting during the AGM to all its shareholders.

25. VOTING PROCESS AND INSTRUCTION REGARDING REMOTE E-VOTING:

a) The remote e-voting period will commence on Monday, September 21, 2026 9:00 am (IST) and ends on Wednesday, September 23, 2026 05:00 pm (IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on Cut-Off date i.e. Friday, September 18, 2026, (the "Cut-Off Date") may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the shareholder, he/she shall not be allowed to change it subsequently.

b) Only those shareholders of the company who are holdings shares either in physical form or in dematerialized form, as on the cut-off date (i.e. Friday, September 18, 2026), shall be entitled to cast their vote either through remote e-voting or through voting at AGM through VC/OAVM, as the case may be. Any person who is not a shareholder as of the cut-off date should treat this Notice for information purposes only.

c) The facility for voting during the AGM shall also be made available. Shareholders present in the AGM through VC and who have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so shall be eligible to vote through the e-voting facility provided at the AGM.

d) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2021/242 dated December 09, 2021, under Regulation 44 of Listing Regulations and in order to increase the efficiency of the voting process, all the Demat account holders have been enabled for e-voting by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the Evoting Service Providers thereby, not only facilitating seamless authentication but also enhancing the ease and convenience of participating in the e-voting process.

e) Shri Vineet K Chaudhary, Managing Partner (Membership No. FCS 5327) and failing of him Shri Mohit K Dixit, Partner, (Membership No. FCS 12361), of VKC & Associates, New Delhi, practicing company Secretaries, having consented to act as a scrutinizer, have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

A. **THE LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE IS GIVEN BELOW:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	Users who have opted for the CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach the e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/ myeasi/ home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see the e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining a virtual meeting & votingduringthemeeting. Additionally, thereisalsolinksprovided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-voting service providers website directly. If the user is not registered for Easi/Easiest, an option to register is available at https://web. cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access the e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/ Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on 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 the e-voting page. Click on the Company name or e-voting service provider name and you will be re-directed to the e-voting service provider website for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, an 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 Visit the e-voting website of NSDL. Open a web browser by typing the following URL: https:// www.evoting.nsdl.com/ either on a Personal Computer or on mobile. Once the home page of the e-voting system is launched, click on the icon "Login" which is available under the'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your

Type of shareholders	Login Method
	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 the NSDL Depository site wherein you can see the e-voting page. Click on the Company name or e-voting service provider name and you will be redirected to the e-voting service provider website for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting. 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 No., 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in Demat mode) login through their **Depository Participants**	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for the e-voting facility. After Successful login, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-voting feature. Click on the Company name or e-voting service provider name and you will be redirected to the e-voting service provider website for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting.

Important note: Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the above-mentioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Shareholders facing any technical issue in login can contact the CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Shareholders facing any technical issue in login can contact the NSDL helpdesk by sending a request at evoting@ nsdl.co.in or call at toll-free no.: 1800 1020 990 and 1800 22 44 30

B. **LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT FORM & SHAREHOLDERS HOLDING IN PHYSICAL MODE:**

(A) In case of shareholder receiving e-mail:

(i) The shareholders should log on to the e-voting.

(ii) Click on Shareholders.

(iii) Now Entry our User ID (For CDSL:16 digits beneficiary ID, For NSDL:8 Character DPID followed by 8 Digits Client ID, Shareholders holding shares in physical form should enter Folio Number registered with the Company.

(iv) Enter the Image Verification as displayed and Click on Login.

If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on earlier voting of any Company, then your existing password is to be used.

(v) If you are a first-time user follow the steps given below:

(vi) For Shareholders holding shares in Demat Form other than Individual & Physical Form

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

(ix) After entering these details appropriately, click on the "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in Demat form will now reach the 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through the CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. Option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the voting done by you by clicking on the "Click here to print" option on the Voting page.

(xviii) If a Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xix) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@cdsl-india.com and on approval of the accounts, they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with the attested specimen signature of the duly authorized signatory who is authorized to vote, to the Scrutinizer and the company at the email address viz; investorrelations@shardamotor.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

C. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

For Physical shareholders- please provide necessary details like 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 company/RTA email id. at investorrelations@shardamotor.com or rta@alankit.com / lalitap@alankit.com

- For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
- For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.
- In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under the help section or write an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.
- All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or 022-23058542/43.

26. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

a. The procedure for attending meetings & e-voting on the day of the AGM is the same as the instructions mentioned above for e-voting.

b. The link for VC/OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after a successful login as per the instructions mentioned above for e-voting.

c. Shareholders are encouraged to join the Meeting through Laptops / I-Pads for a better experience.

d. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

e. Further shareholders will be required to allow the Camera and use the Internet with a good speed to avoid any disturbance during the meeting.

f. Please note that Participants Connecting from Mobile Devices or Tablets or through laptops connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective networks. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

g. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast ten days prior to the meeting mentioning their name, Demat account number/folio number, email id, mobile number at investorrelations@shardamotor.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Ten days prior to the meeting mentioning their name, Demat account number/folio number, email id, and mobile number at investorrelations@shardamotor.com. These queries will be replied to by the Company suitably by email.

h. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

27. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

i. The procedure for e-voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.

ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system available during the AGM.

iii. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

iv. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The Scrutinizer(s) shall, immediately after the conclusion of e-voting during the AGM, unblock the votes cast through e-voting (votes cast during the AGM and votes cast through remote e-voting) in the presence of at least 2 (two) witnesses, who are not in the employment of the Company. The Scrutinizer(s) shall submit a consolidated Scrutinizers' Report on the total votes cast in favour or against, if any, within 2 (two) working days of conclusion of the AGM to the Chairperson/Whole Time Director(s)/Company Secretary, who shall countersign and declare the result of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www. shardamotor.com and will also be available on the website of CDSL i.e. www. cdslindia.com and will be communicated to the stock exchanges, where the shares of the company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 AND SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 5

Pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the shareholders of the Company, at the 36th Annual General Meeting, approved the appointment of Shri Ajay Relan as Managing Director of the Company for a consecutive term of five years, for the period from September 1, 2021, to August 31, 2026.

Shri Ajay Relan has been associated with the Company since its incorporation in 1986. Since the inception of the Company, he has played a pivotal role in shaping its business and providing strategic leadership. His extensive industry experience, strategic vision and deep understanding of the automotive component sector have been instrumental in successfully steering the Company through various business challenges and achieving a significant turnaround, resulting in strong revenue growth and strengthening of its market position.

Over the years, Shri Relan has also contributed significantly to expanding the Company's manufacturing capabilities, diversifying its product portfolio, strengthening its technology base and establishing strategic partnerships and joint ventures with leading global automotive component manufacturers. His continued focus on quality, innovation, operational excellence and customer satisfaction has supported the Company's sustainable growth and enhanced its position in auto component market.

In recognition of his long-standing association, leadership and significant contribution to the Company, the Nomination and Remuneration Committee ("NRC") and the Board of Directors ("Board"), at their respective meetings held on August 10, 2026, recommended and approved his appointment as Whole-time Director (designated as Executive Chairperson) for a further consecutive term of five years, with effect from September 1, 2026, to August 31, 2031, on the terms and conditions, including remuneration, as set out in this AGM Notice.

The NRC and the Board, while recommending the appointment, considered his extensive experience, proven leadership capabilities, institutional knowledge and significant contribution to the Company's growth and turnaround. The Board is of the considered view that his continued association will provide valuable leadership and strategic guidance and will be beneficial to the Company and its stakeholders.

Further, pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders is also being sought by way of a separate resolution for payment of remuneration to Shri Ajay Relan, Whole-time Director designated as Executive Chairperson, as set out in the accompanying resolution and explanatory statement. Accordingly, the Board recommends the resolution for approval of the shareholders by way of an Ordinary Resolution.

Further details, as required under Regulation 36 (3) of the SEBI (Listing Regulations and disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, are provided in Table "A" forming part of this Notice.

Shri Ajay Relan has furnished his consent in Form DIR-2 and the requisite declarations, including Form DIR-8 and Form MBP-1, and has confirmed that he is eligible to hold the office of Director and has not been debarred or disqualified from holding such office by any order of SEBI or any other statutory authority.

Except Shri Ajay Relan and Shri Aashim Relan (Key Managerial Personnel), none of the Directors, Key Managerial Personnel or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 6

Pursuant to Regulation 17(6)(e)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), payment of fees or compensation to an Executive Director who is a Promoter or member of the Promoter Group is subject to the approval of the shareholders by way of a Special Resolution, where the annual remuneration payable to such Executive Director exceeds ₹5 crore or 2.5% of the net profits of the listed entity, whichever is higher. For this purpose, the net profits are required to be calculated in accordance with Section 198 of the Companies Act, 2013.

The annual remuneration proposed to be paid to Shri Ajay Relan, Whole-time Director and Promoter, "designated as Executive Chairperson" of the Company, is likely to exceed the threshold prescribed under Regulation 17(6)(e)(i) of the Listing Regulations. Accordingly, approval of the shareholders by way of a Special Resolution is being sought for payment of such remuneration during his term of appointment as Whole-time Director for a consecutive period of five years, commencing from September 1, 2026, and ending on August 31, 2031, in accordance with the terms and conditions of his appointment and remuneration as set out in this Notice.

The Nomination and Remuneration Committee ("NRC") and the Board of Directors, at their respective meetings held on August 10, 2026, after considering, inter alia, his extensive experience, long-standing association with the Company, leadership capabilities, contribution to the Company's growth and successful turnaround, and the proposed terms of remuneration, recommended and approved the proposed remuneration payable to Shri Ajay Relan, subject to the approval of the shareholders as may be required under applicable laws and regulations.

The approval sought under Regulation 17(6)(e) of the Listing Regulations shall remain valid for the aforesaid term of his appointment, i.e., until August 31, 2031.

The Board is of the opinion that the proposed remuneration is commensurate with Shri Ajay Relan's experience, responsibilities, contribution and leadership role in the Company and is in the best interests of the Company and its stakeholders.

Accordingly, the Board recommends the resolution for approval of the shareholders by way of an Special Resolution.

Except Shri Ajay Relan and Shri Aashim Relan (Key Managerial Personnel), none of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 7

According to regulations 17(6) (ca) Listing Regulation, the approval of shareholders by special resolution is required to obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors and giving details of remuneration thereof. Considering the professional services of Shri Navin Paul, it is proposed to pay him remuneration/ compensation by way of performance base incentive /commission or otherwise of an amount not exceeding Rs. 20 Lakh for the financial year 2026-27, which may exceed fifty percent of the total annual remuneration payable to all Non-Executive Directors of the Company.

The aforesaid remuneration is exclusive of the fees payable to the Non-Executive Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

Accordingly the Board recommends the resolution for the approval of the shareholders by way of a Special Resolution.

Except Shri Navin Paul, none of the Directors, Key Managerial Personnel of the Company or their relatives in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 8

On the recommendation of the Audit Committee, the Board of Directors of the Company at its Meeting held on August 10, 2026 has considered and approved the Appointment and Remuneration of M/s Gurdeep Singh & Associates, as Cost Auditors of the Company to conduct the Audit of Cost Records of the specified products at a remuneration of Rs. 1,00,000/- (Rupees One Lakhs) plus applicable Tax as applicable and other out-of-pocket expenses for the financial year 2026-27. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the financial year 2026-27 by way of an ordinary resolution is being sought from the shareholders as set out at item no.8 of the Notice.

Accordingly the Board recommends the resolution for the approval of the shareholders by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives in any way, concerned or interested, financially or otherwise, in the proposed resolution.

By Order of the Board
For **Sharda Motor Industries Limited**

Nitin Vishnoi
Executive Director & Company Secretary
DIN: 08538925
M. No.: F3632

Date: August 10, 2026
Place: New Delhi

TABLE A

Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meeting (SS-2)

Name of the Director	Shri Kishan N Parikh	Shri Ajay Relan
Director Identification Number	00453209	00257584
Date of Birth	April 15, 1967	December 3, 1961
Nationality	Indian	Indian
Age	59 Years	64 Years
Date of Appointment	December 16, 2005	January 29, 1986
Qualification	Commerce Graduate	B.Com (Hons.), Owner President Management Programme (Harvard Business School, USA)
Profile of the Director, Experience & Expertise in specific functional area	He is a commerce graduate with over 35 years of experience in business management. He worked with Jamshedpur Beverages and Pebco Motors Limited. He is also involved with the Singhbhum Chamber of Commerce and Industry. He is involved in various philanthropic organisations, including the Rotary Club of Jamshedpur, Jamshedpur Vaishnav Samaj, and Gujarati Sanatan Sama	Please refer explanatory statement of Item No. 5
Terms & Conditions of appointment	Re-appointment in terms of Section 152(6) of the Act	As per the resolution item no. 5 of the 41st Annual General Meeting Notice
Remuneration received from the Company in the financial year 2025-26	Sitting Fees: Rs 7.20 Lakhs	Remuneration: Rs. 750.43 Lakhs
Shareholding in the Company including shareholding as beneficial owner	1,500 Equity Shares	70,34,488 Equity Shares
Relationship with other Directors and KMPs of the Company	None	Shri Aashim Relan, CEO, (Son)
Name of listed entities from which the person has resigned in the past three years	None	None
No. of meetings of Board attended during the year	4/4	4/4
Directorships held in Public Companies in India (including this listed entity)	1) Sharda Motor Industries Limited 2) Pebco Motors Limited 3) Pebco Industries Ltd.	1) Sharda Motor Industries Limited 2) Relan Industrial Finance Limited
Chairperson/ Member of the Committees of Board of Directors of Indian Companies (M = Member) (C=Chairperson)	1. Sharda Motor Industries Limited a) Audit Committee (M) b) Nomination and Remuneration Committee (M) c) CSR Committee (C) d) Risk Management Committee (C) 2. Pebco Motors Ltd. a) Audit Committee (M) b) Stakeholders Relationship Committee(M)	1. Sharda Motor Industries Limited a) Stakeholders Relationship Committee(M) b) Corporate Social Responsibility Committee (M) c) Risk Management Committee(M)

DIRECTORS' REPORT

Dear Members

Your directors have pleasure in presenting the 41st Board Report on the business and operations of the Company together with the financial statements for the financial year ended on March 31, 2026.

FINANCIAL SUMMARY

Rs. In Lakhs

Particular	Standalone		Consolidated	
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenue from operations	339677.10	283657.09	339677.10	283657.09
Other Income	8598.79	8328.09	8598.79	8328.09
Total Revenue	**348275.89**	**291985.18**	**348275.89**	**291985.18**
Profit before Financial Charges, Depreciation	**50475.12**	**47969.97**	**50473.07**	**47964.91**
Less: Financial Costs	433.15	393.33	433.15	393.33
Profit before Depreciation, Exceptional Items & Taxes	**50041.97**	47576.64	**50039.92**	47571.58
A. Depreciation	6345.64	5822.62	6345.64	5822.62
B. Exceptional items	1815.22	-	1815.22	-
Taxation				
– Current Tax	10733.61	10174.98	10733.61	10174.98
– Deferred Tax Charged/ (Released)	526.63	322.64	526.63	322.64
Income tax for earlier year	96.29	7.35	96.29	7.35
Profit for the year before share of profit/ (loss) of associates and joint venture	**34155.02**	**31249.05**	**34152.97**	**31243.99**
Share of profit/(loss) of associate (net of tax)	0.00	-	34.39	68.09
Share of profit/(loss) of Joint venture (net of tax)	0.00	-	353.00	179.53
Non-Controlling interest	0.00	-	0.53	0.32
Profit for the year	**34155.02**	**31249.05**	**34540.89**	**31491.93**
Other comprehensive income (net of tax)	(85.23)	(36.02)	(85.23)	(36.02)
Add: Profit brought forward from previous year	104950.80	80891.68	103270.35	78968.35
Profit available for appropriation	**139020.59**	**112104.71**	**137726.01**	**110424.26**
Appropriations				
Dividend	9328.75	2847.42	9328.75	2847.42
Taxes & Transaction cost on buy back of equity shares	-	4306.49	-	4306.49
Transferred to General Reserves	-	-	-	-
Balance carried forward to Balance Sheet	129691.84	104950.80	128397.26	103270.35
Paid-up equity share capital (Face value of Rs. 2/- each)	1148.16	574.08	1148.16	574.08

Operational Performance

Performance

During the year under review, the Company recorded total income of ₹3,48,275.89 lakhs, including other income, as against ₹2,91,985.18 lakhs in the previous year, registering a growth of 19.28%. The Profit Before Tax (PBT) stood at ₹45,896.89 lakhs, as compared to ₹41,996.58 lakhs in the previous year, registering an increase of 9.29%. The Net Profit After Tax (PAT) also increased by 9.68% on a year-on-year basis.

Dividend and Dividend Distribution Policy

The Board of Directors of the company at its meeting held on May 21, 2026, recommended the final dividend of Rs. 20/- per equity share of face value of Rs. 2 each (i.e. equivalent to 1000 percent of face value) for the financial year 2025-26, subject to the approval of the shareholders at the ensuing Annual General Meeting of the company.

The company has complied with the Dividend Distribution Policy of the company, a copy of which is available on the website of the company at: https://www.shardamotor.com/wp-content/uploads/2021/07/DIVIDEND-DISTRIBUTION-POLICY.pdf.

The said Policy provides shareholders a clear understanding of the company's dividend framework, outlining the following key parameters:

- the circumstances under which the shareholders of the listed entities should or should not expect dividends;
- the financial parameters that shall be considered while declaring a dividend;
- internal and external factors that shall be considered for declaration of dividend; policy as to how the retained earnings shall be utilized.

Reserves

During the year under review, the company has not transferred any amount to the reserves.

Change in the Nature of Business

During the year under review, there was no change in the nature of the business of the Company.

Share Capital

During the year under review, there was no change in the authorised share capital of the Company.

The Company does not have any equity shares with differential rights. Accordingly, no disclosure is required under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014.

During the year under review, the Company did not issue any sweat equity shares. Accordingly, no disclosure is required under Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014.

During the year under review, no options were granted under the Company's employee stock option scheme. Accordingly, no disclosure is required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.

During the year under review, the Company issued and allotted 2,87,03,853 bonus equity shares of Rs. 2 each in the ratio of 1:1. The said bonus equity shares rank pari passu in all respects with the existing fully paid-up equity shares of the Company. Pursuant to the bonus issue, the issued and paid-up equity share capital of the Company increased to Rs. 11,48,15,412 divided into 5,74,07,706 equity shares of Rs. 2 each.

Transfer to Investor Education and Protection Fund

Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), as amended, requires the companies to transfer the dividend that has remained unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the

said Rules also mandate that the shares on which a dividend has remained unclaimed/unpaid for seven consecutive years or more be transferred to the demat account of the IEPF Authority.

During the financial year under review, the unclaimed/unpaid dividend for the financial year 2017-18 amounting to Rs. 5,83,388 was transferred to IEPF Authority along with the 2,49,170 equity shares of the Company, in respect of which dividend had not been claimed by the shareholders for seven or more consecutive years. The details of unpaid/unclaimed dividends are available on the website of the Company at https://www.shardamotor.com

Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account

During the financial year under review, the company had made Bonus allotment on July 07, 2025, pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Listing Regulations, the allotment of shares in bonus issue was made only in dematerialized form. Accordingly, in the case of members who hold equity shares in physical form, the bonus equity shares were transferred to "Sharda Motor Industries Limited - Bonus 2025 Unclaimed Suspense Account".

The details required pursuant to Regulation 34 read with Schedule V of Listing Regulations are disclosed in the Corporate Governance Report.

The members are requested to note that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. The Details of Unclaimed Shares are available under the Investor Section on the website of the Company at https://www.shardamotor.com/investor-relations/unclaimed-unpaid-divident-iepf/

Subsidiaries, Joint Arrangements and Associate Companies

During the year under review, no company has become or ceased to be a subsidiary, joint venture or associate Company. The details of Subsidiaries, Joint Ventures and Associate Companies as on March 31, 2026, are as under:

Subsidiary Companies

Uddipt Mobility Private Limited

Associate/Joint Venture Companies

Relan Industries Finance Limited
Exhaust Technology Private Limited

Consolidated financial Statements

The consolidated financial statements of the Company and its subsidiaries for FY 2025-26 have been prepared in compliance with the applicable provisions of the Act and Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statements together with the Independent Auditor's Report thereon form part of this Annual Report.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of the subsidiary companies is attached to the Financial Statement in Form AOC-1.

Further, pursuant to the provisions of Section 136(2) of the Act, the Company will make available the said financial statement of the subsidiary companies upon a request by any Member of the Company or its subsidiary company. The members can send an e-mail to investorrelations@shardamotor.com upto the date of the AGM and the same would also be available on the Company's website https://www.shardamotor.com/investor-relations/subsidiary/

Directors and Key Managerial Personnel

The existing composition of the Board of Directors is in full conformity with the applicable provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force. Further, all the Directors of the Company have furnished declarations confirming that they are not debarred or disqualified from being appointed, re-

appointed or continuing as Directors of the Company by virtue of any order passed by the Securities and Exchange Board of India ("SEBI"), the Ministry of Corporate Affairs ("MCA") or any other statutory or regulatory authority.

The company has received a declaration from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act read with the schedules and rules made thereunder along with the declaration for compliance with Regulation 16 of the Listing Regulations. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience in their respective fields and are persons of high integrity and repute. They fulfill the conditions specified in the Act and Listing Regulations to act as Independent Directors.

The names of Independent Directors are included in Independent Director's data bank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time.

None of the Directors are disqualified for being appointed as Director as specified in Section 164(1) & (2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, following changes have taken place in the Board of Directors and Key Managerial Personnel of the company;

(1) Shri Ghan Shyam Dass, was appointed as Chief Financial Officer of the company with effect from April 01, 2025 on the recommendation of the Nomination and Remuneration and Audit committees.

(2) Smt. Sarita Dhuper (DIN: 08776286) was re-appointed as Independent Director of the Company for a second term of five (5) consecutive years commencing from June 29, 2025 to June 28, 2030 (both days inclusive). The same was approved by the members of the company through Postal Ballot on June 25, 2025.

The members of the Company at its 40th AGM held on September 18, 2025 had approved:

- Re-appointment of Shri Nitin Vishnoi (DIN: 08538925) as Director of the company liable to retire by rotation.

After the closure of the financial year 2025-26, the following changes took place in the Board of Directors and Key Managerial Personnel:

- The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and in accordance with the applicable provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), has re-appointed Shri Ajay Relan (DIN: 00257584) as Whole-time Director of the Company, designated as Executive Chairperson, for a term of five years with effect from September 1, 2026, subject to the approval of the members of the Company.
- Pursuant to section 152 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on August 10, 2026 considered and recommended the re-appointment of Shri Kishan N. Parikh (DIN: 00453209), who retires by rotation at ensuing Annual General Meeting and being eligible has offered himself for re-appointment, to the members of the company for re-appointment as a Director liable to retire by rotation.

The resolution seeking the approval of the members for his re-appointment forms part of the Notice convening the ensuing Annual General Meeting. The disclosures required pursuant to Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2) have been provided in the Explanatory Statement annexed to the said Notice.

Number of Board Meeting

Details of the Board and Committee Meetings held during the year, including the dates of such meetings and the attendance of each Director, are provided in the Report on Corporate Governance forming part of this Annual Report The interval between any two consecutive meetings was in compliance with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and read together with the circulars, notifications, and amendments issued by the Ministry of Corporate Affairs and SEBI.

Committees of Board

The Board of Directors of the Company has constituted the following Committees to focus on specific areas and take informed decisions in the best interests of the Company within the authority delegated to each of the Committees:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders Relationship Committee;
(d) Corporate Social Responsibility Committee; and
(e) Risk Management Committee.

The details of the composition of the said Committee(s), their terms of reference, meetings held and attendance of the Committee members during the financial year 2025-26 are disclosed in the Corporate Governance Report annexed as "Annexure V".

All the recommendations made by the Committees during the year were accepted by the Board of Directors.

Board-Level Performance Evaluation

The evaluation of the Board/Committees and directors was carried out in accordance with the provisions of the Act and Listing Regulations, and the guidance note issued by SEBI in this regard. A suggestive evaluation questionnaire for the performance evaluation, based on the approved criteria, was provided to all the directors for their feedback on the performance of the Board, its Committees, the Chairperson and the Directors.

A separate meeting of independent directors was held on March 26, 2026, where they reviewed and discussed the feedback on the functioning of the Board, it's Committees, the chairperson and other directors including the executive directors.

Based on the approved evaluation criteria, the Nomination and Remuneration Committee, at its meeting held on May 21, 2026, evaluated the performance of the Board, its Committees, individual Directors and the Chairperson. Thereafter, at the meeting held on May 21, 2026, the Board considered and reviewed the outcome of the performance evaluation and noted that the performance of the Board as a whole, its Committees, the Chairperson and the individual Directors was satisfactory.

Policy For Nomination, Remuneration, Evaluation and orderly succession

Pursuant to Section 134(3) read with Section 178 of the Act, Policy for Nomination, Remuneration, Evaluation and orderly succession of the company lays down the criteria for determining qualifications, competencies and positive attributes for the employees of the company. It also lays down the criteria of independence for the appointment of directors and policy of the company relating to remuneration of directors, Key Managerial Personnel ("KMP") and other employees. The said policy is available on the website of the company at https://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf.

The Board has also developed the criteria for orderly succession pursuant to Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to ensure that interests of investors of a listed company does not suffer on account of sudden or unplanned gaps in management of the company.

Auditors and Audit Report

Statutory Auditors & Auditors Reports

M/s. S. R. Dinodia & Co., LLP, Chartered Accountants (Firm Registration No. 001478N/N500005) were appointed as Statutory Auditors of the Company by the members of the company pursuant to the provisions of Section 139 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, for a term of 5 (five) consecutive years, from the conclusion of the 37th Annual General Meeting of the Company held on September 20, 2022, till the conclusion of the 42nd Annual General Meeting of the Company to be held in the year 2027.

The Auditors' Reports on the Standalone and Consolidated Financial Statements to the Shareholders do not contain any qualification, reservation adverse remarks or disclaimer of opinion. The notes to the financial statements referred to in the Auditors' Report are self-explanatory and therefore, do not require any further clarifications.

The Statutory Auditors of the company have not reported any matter in section 143(12) of the Act.

Secretarial Auditors & Auditors Reports

M/s. VKC & Associates, Company Secretaries (Unique Identification No. P2018DEO77000), were appointed as Secretarial Auditors of the Company, pursuant to section 204 of the Act and the Rules made there under and Regulation 24A of the Listing Regulations, by the members of the company to hold office for a term of 5 (Five) consecutive years, commencing from the Financial Year 2025-26 till Financial Year 2029-30.

The Secretarial Audit Report (in form MR-3) for the financial year ended March 31, 2026 is annexed as Annexure I to this Report. The Secretarial Audit Report does not contain any qualification.

Cost Auditors & Cost Audit Report

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, and based on the recommendation of the Audit Committee, the Board of Directors approved the appointment of M/s. Gurdeep Singh & Associates, Cost Accountants (Membership No. 9967), as the Cost Auditors of the Company for conducting the audit of cost records for the financial year 2025–26. The remuneration payable to the Cost Auditors was duly ratified by the Members at the 40th Annual General Meeting of the Company.

Further, at its meeting held on August 10, 2026, the Board of Directors, based on recommendation of Audit Committee, considered and approved the appointment of M/s. Gurdeep Singh & Associates (Memebership No. 9967), as Cost Auditors of the company for conducting the cost audit for the financial year 2026-27. The remuneration payable to the Cost Auditors, as approved by the Board, is being placed before the members for ratification at the ensuing Annual General Meeting.

The Company has received the written consent from the Cost Auditors confirming their eligibility and compliance with the applicable requirements of Rule 6 of the Companies (Cost Records and Audit) Rules, 2014, including that they are not disqualified from appointment as Cost Auditors, that their proposed appointment is within the prescribed limits and that they satisfy the applicable criteria under Section 141 of the Act.

The cost accounts and records of the Company are duly prepared and maintained as required u/s 148 of the Companies Act, 2013.

Employees' Stock Option Scheme

Pursuant to the approval of Members through postal ballot on July 08, 2022, the Company adopted the "Sharda Motor Industries Limited stock option scheme 2022" {ESOP Scheme}, in order to retain and incentivize key talent for driving long-term objectives of the Company whilst simultaneously fostering ownership behavior and collaboration amongst employees. The brief outlines of the Scheme are as follows:

1. Persons eligible for the Scheme: Employees of the company working in India or Outside India and their tenure, performance and contribution to the growth of the company.
2. Total number of shares reserved under the scheme and under grant: The Nomination and Remuneration Committee may from time-to-time grant options to one or more employee(s), which may include recurring options to the same employee. The aggregate number of shares underlying an option that may be granted under the plan shall be decided by the Nomination and Remuneration Committees and shall not exceed 3,00,000 equity shares of face value of Rs. 2, each fully paid up, of the company.
3. Pricing: The exercise price per option shall be equal to the market price of the shares on the Grant Date or at such discount to the market price as may be determined by the Nomination and Remuneration Committee subject to applicable laws.
4. Vesting Period under Scheme: Options granted under ESOP 2022 would vest after expiry of a minimum of 1 (One) year but not later than a maximum of 6 (Six) years from the Grant Date of such options. The minimum Vesting Period of one year shall not apply to cases of separation from employment due to death or permanent disability.
5. The Exercise Period: Vested Options shall be a maximum of 5 (Five) years from the date of vesting of such options. From the date of approval of "Sharda Motor Industries Limited Stock Option Scheme 2022", till the end of financial year 2025-26, "No option" was granted therefore disclosure required under the Rule of the Companies (Share Capital and Debentures) Rule 2014 is not applicable.

In terms of Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company has not granted or issued any employee stock options under the ESOP Scheme till date. The certificate dated August 10, 2026, issued by the Secretarial Auditors of the Company in relation to the implementation of the Scheme shall be made available for inspection by the members at the ensuing Annual General Meeting.

Application / Any Proceeding Under The Insolvency and Bankruptcy Code, 2016

During the year under review, the Company has not made any Application and nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

Details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the banks or financial institutions along with the reasons thereof

Not Applicable

Corporate Social Responsibility

The Annual Report on CSR activities, as required under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure II to the Directors' Report. A copy of the CSR Policy is available on the Company's website at https://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy-1.pdf

Sharda Motor Industries Limited (SMIL) firmly believes that sustainable business growth is intrinsically connected to the well-being and progress of society. Guided by this philosophy, the Company's Corporate Social Responsibility (CSR) initiatives are strategically designed to create long-term, meaningful impact in the areas of healthcare, education, and community development.

The Company implements most of its CSR programs through the Sharda CSR Foundation Trust, its dedicated philanthropic arm. Operating across various regions of India, the Trust drives social transformation through its flagship initiatives—Sharda Health and Sharda Education. By adopting a community-centric approach, the Company focuses on improving the quality of life of people residing in and around its manufacturing locations, ensuring that interventions are relevant, sustainable, and responsive to local needs.

Flagship Initiatives

Sharda Health

The Sharda Health initiative is committed to strengthening healthcare infrastructure and enhancing access to quality medical services in underserved communities. Significant achievements under this program include the establishment of the Sharda Medical Clinic in Nashik, which provides comprehensive health check-ups, diagnostic services, and essential medicines to beneficiaries. The Trust has also contributed to the development of a hospital at Sewah, Panipat, thereby expanding healthcare accessibility in the region.

In addition to infrastructure support, the initiative extends humanitarian assistance through activities such as the distribution of winter clothing to underprivileged children living in urban slums. Emergency healthcare support is further strengthened through the provision of ambulance services for timely medical assistance.

Sharda Education

Recognizing education as a catalyst for social and economic empowerment, the Sharda Education initiative focuses on creating opportunities for underprivileged children and youth. The Trust provides financial assistance to educational institutions, supports the development of school and college infrastructure, and promotes digital inclusion through the establishment of modern computer laboratories.

Through these efforts, the initiative aims to enhance learning outcomes, bridge the digital divide, and equip students with the knowledge and skills required to thrive in an increasingly technology-driven world.

Commitment to Sustainable Development

Through its focused CSR interventions, Sharda Motor Industries Limited continues to contribute towards inclusive and sustainable development. By investing in healthcare, education, and community welfare, the Company strives to create enduring social value while fostering stronger, healthier, and more resilient communities.

Annual Return

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for the financial year March 31, 2026 is uploaded on the website of the company and the same is available on https://www.shardamotor.com/investor-relations/annual-report/

Particulars of Employees and Senior Management

The disclosures relating to the percentage increase in remuneration, the ratio of the remuneration of each Director to the median remuneration of the employees and other particulars as required under Section 197(12) of the Companies Act, 2013 ("the Act"), read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in Annexure III to this Report..

The statement containing the particulars of employees as required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, pursuant to the provisions of Section 136(1) of the Act, the Annual Report is being sent to the members of the Company excluding the aforesaid statement. Any member interested in obtaining a copy of the said statement may write to the Company Secretary or the Compliance Officer of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are annexed herewith marked as Annexure IV to this Report.

Particulars of Loans, Guarantees or Investments

The particulars of Loans, guarantees, and investments under section 186 have been disclosed in the financial statements forming part of the Annual Report.

Particulars of Contracts or Arrangements with Related Parties

All related party transactions entered into by the Company during FY 2025-26 were in the ordinary course of business and on an arm's length basis and were undertaken with the prior approval of the Audit Committee, including pursuant to omnibus approvals, wherever applicable. None of the related party transactions, either individually or taken together with previous transactions during the financial year, exceeded the applicable materiality threshold prescribed under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and, accordingly, the Company did not enter into any material related party transaction requiring approval of the members under Regulation 23(4) of the Listing Regulations. The details of related party transactions entered into during the year, including transactions with entities/persons belonging to the promoter and promoter group having 10% or more shareholding in the Company, are disclosed in the notes to the financial statements.

During FY 2025-26, there were no material transaction of the Company with any of its related parties in terms of Section 134 read with Section 188 Act, therefore, the director of the Related Party Transaction (RPTs') as required under section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2025-26 and hence same is not required to provided.

The policy on materiality of and dealing with related party transactions is available on the company's website at https://www.shardamotor.com/wp-content/uploads/2016/07/RPT-Policy.pdf

Corporate Governance

We strive to attain high standards of corporate governance while dealing with all our stakeholders and have complied with all the mandatory requirements relating to Corporate Governance as stipulated in Para C of Schedule V of Listing Regulations. The "Report on Corporate Governance" forms an integral part of this report and is set out as a separate section to this annual report. A certificate from S.R. Dinodia & Co., LLP, certifying compliance with the conditions of corporate governance stipulated in Para E of Schedule V of Listing Regulations, is annexed with the report on corporate governance.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) read with Para B of Schedule V of the Listing Regulations, is presented in a separate section forming part of this Annual Report.

Vigil Mechanism

The company has a vigil mechanism for all Stakeholders of the Company excluding the shareholders (who have a mechanism to report their concerns to the Company through the Investor Grievance mechanism as laid down under the Listing Regulations) to report their genuine concerns. The Vigil Mechanism / Whistle Blower Policy is available on the company's website at https://www.shardamotor.com/wp-content/uploads/2026/05/2_Whistle-Blower-Policy.pdf

Public Deposits

During the year under review, the company has not accepted any deposits from the public covered under chapter V of the Act and no amount was outstanding as on the date of the Balance Sheet.

Material Changes and Commitments, if any, affecting the Financial Position of the Company

There were no material changes and commitments subsequent to the close of the financial year that could affect the financial position of the company.

The Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals

During the year under review, no material orders were passed by the Regulators, Courts or Tribunals that would impact the going concern status of the company and its operations in the future.

Risk Management

The Board of Directors of the Company has constituted a Risk Management Committee to formulate, implement, monitor and review the Risk Management Plan and to ensure its effectiveness. The Company has formulated a Risk Management Policy to identify and assess key risks and to establish appropriate processes and measures for the mitigation. The Risk Management Committee periodically reviews the identified risks and the effectiveness of the measures implemented to mitigate such risks and recommends appropriate actions, wherever required.. Details on the Company's risk management framework, including risk identification, assessment, evaluation and mitigation, are provided in the Management Discussion and Analysis Report forming part of this Report.

The details regarding the constitution of the Risk Management Committee are provided in the Corporate Governance Report and the Risk Management Policy is available on the company's website at https://www.shardamotor.com/wp-content/uploads/2021/07/Revised-Risk-Management-Policy-Clean-Version.pdf. The said Policy provides the shareholders with an understanding of key risk factors and parameters and the process adopted by the Company for monitoring, managing and mitigating such risks.

Disclosure in terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The company believes that it is the responsibility of the organisation to protect the dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The company has put in place a 'Policy on Redressal of Sexual Harassment at Work Place' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"). As per the policy, employees may report their complaint to the Internal Complaints Committee (ICC) at all the units, constituted with due compliance under the POSH.

During the year review, no complaint was received / filed by any person and no complaint is pending to be resolved as at the end of the year.

The following is a summary of complaints received and resolved during the reporting period.

a. Number of complaints of sexual harassment received in the year: Nil

b. Number of complaints disposed of during the year: Nil

c. Number of cases pending for more than ninety days: Not Applicable

Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of Listing Regulations, the company has prepared Business Responsibility and Sustainability Report detailing the various initiatives taken by the company on the environment, social, governance and various other factors, which form an integral part of the Annual Report as Annexure VI.

Directors' Responsibility Statement In terms of Section 134(3)(c) and (5) of the Act, it is hereby stated that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed;

b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2026 and of the profit and loss of the company for the year ended on that date;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis;

e) Internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;

f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Control Systems and their Adequacy

The details in respect of internal financial controls and their adequacy are included in the Management Discussion and Analysis Report, which forms part of the Annual Report.

Secretarial Standards

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the company during the year under review.

SEBI (Prevention of Insider Trading) Regulation, 2015

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the 'SEBI (PIT) Regulations') on prevention of insider trading, your Company has developed "SMIL Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" including a policy for determination of legitimate purposes for prevention of insider trading and policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information for regulating, monitoring and reporting of trading by Designated Persons and their immediate relatives. The said Code lays down guidelines, which guide Designated Persons on the procedures to be followed in dealing with the shares of the Company. The said code is available on the website of the Company at https:// www.shardamotor.com/wp-content/uploads/2020/02/insider-trading-code.pdf.

Further, your Company has put in place an adequate and effective system of internal controls and standard processes have been set to ensure compliance with the requirements given in these regulations to prevent insider trading. To increase awareness on the prevention of insider trading in the organisation and to help the Designated Persons to identify and fulfill their obligations, the Company imparted training to all Designated Persons. The email and text messages for closure of the trading window and submission of periodic disclosures are also sent. The Company has also maintained the Structure Digital Database (SDD) of persons with whom the UPSI was shared in compliance with SEBI (PIT) Regulations.

Maternity Benefits provided by the Company under the Maternity Benefit Act, 1961

Sharda Motor Industries Limited hereby affirms that it is in full and continued compliance with the provisions of the Maternity Benefit Act, 1961, and all amendments thereto, as applicable. The Company ensures that all eligible women employees are granted the statutory rights and benefits as contemplated under the Act, which include, but are not limited to:

- Paid maternity leaves as per the prescribed duration, – Continuity of employment and wages during the period of such leave, – Protection from dismissal or discharge during maternity leave, except on grounds expressly permitted under the Act,
- Provision of nursing breaks and post-maternity support, including flexible working hours and work-from home arrangements, subject to operational feasibility. The Company remains committed to maintaining a safe, inclusive, and legally compliant workplace and undertakes all necessary measures to uphold the rights, dignity, and welfare of its female workforce in accordance with the applicable statutory framework.

Code of Conduct for Board and Senior Management Personnel

Pursuant to Regulation 17(5) of the Listing Regulations, the Company has implemented a Code of Conduct for Directors and Senior Management Personnel (SMPs). This code outlines the fundamental principles for ethical and transparent behavior by the Directors and SMPs of the Company to further promote fairness and orderliness within the organisation. All Directors and SMPs have affirmed their adherence to the code for the FY 2025-26 and a declaration by the MD to this effect forms part of Report on Corporate Governance annexed with the Board's Report. The Company's Code of Conduct for Directors and SMPs can be accessed on the website of the Company at https://www.shardamotor.com/wp-content/uploads/2018/08/code-of-conduct-for-board-members.pdf

Website

As per provisions of the Regulation 46 of the Listing Regulations necessary information as required to be given to the shareholders/stakeholders, is available at https://www.shardamotor.com.Shareholders/ stakeholders are requested to refer to investor section.

Acknowledgments

Your Directors wish to place on record their sincere appreciation for the continued trust and support extended by all stakeholders, including customers, OEM partners, dealers, suppliers, bankers, shareholders, and regulatory authorities. The Directors also acknowledge the invaluable contribution of the Company's suppliers and business associates in ensuring a resilient and efficient supply chain.

Your Directors place special appreciation on record for the Company's Research & Development teams for their continuous efforts in innovation, product development, cost optimisation, and advancement of technology.

The Board expresses its deep appreciation for the commitment, skill, and dedication demonstrated by employees at all levels, whose efforts continue to drive operational excellence, innovation, and customer satisfaction in a competitive and evolving automotive industry.

The Board also acknowledges the support and guidance received from government authorities and industry bodies and looks forward to their continued cooperation in the future.

On behalf of the Board of Directors
For **Sharda Motor Industries Limited**

Kishan N Parikh
Chairperson
(DIN:00453209)

Date: August 10, 2026
Place: New Delhi

Annexure I

FORM NO. MR-3
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]

To,

The Members,
Sharda Motor Industries Limited
CIN: L74899DL1986PLC023202
Registered Address: D-188, Okhla
Industrial Area Phase-I, New Delhi 110020

We report that:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **SHARDA MOTOR INDUSTRIES LIMITED** (hereinafter referred to as **'the Company'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial records under the Companies Act, 2013 and compliance with the provisions of Corporate and other applicable laws, rules, regulations and standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and processes, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on the compliance of the applicable laws and maintenance of secretarial records based on our audit.

We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed by us provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. However, wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and occurrence of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Limitations

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by the Institute of Company Secretaries of India (ICSI).

Further, we have conducted the secretarial audit by examining the secretarial records, including minutes, documents, registers, other records, papers and returns related to the applicable laws, made available to us by the Company. The management has confirmed that the records submitted to us are true and correct. We have also relied upon representations given by the management of the Company for certain areas which otherwise require physical verification.

Basis of opinion

We have followed the audit practices, secretarial auditing standards and processes as applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases was done on a test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we have followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Secretarial Records and Compliances made thereunder

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2026 (hereinafter referred to called "Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by 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 Byelaws framed thereunder;

(iv) The 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;
- **(b)** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- **(c)** The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- **(d)** The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- **(e)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- **(f)** The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- **(g)** The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable**

(h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; **Not Applicable as the Company is not a registered Registrar to an Issue or Transfer Agent.**

(i) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; **Not Applicable**

(j) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; **Not Applicable**

(vi) The Company has identified following laws applicable specifically to the Company and we have relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made under following laws:

(i) The Industrial (Development and Regulation) Act, 1951;

(ii) The Factories Act, 1948 & Central Rules or concerned State Rules, made thereunder;

(iii) The Environment (Protection) Act, 1986;

(iv) The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned State Rules;

(v) The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned State Rules;

We have also examined compliance with the applicable Clauses of the following: -

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

Based on our examination and verification of records produced to us and according to the information and explanations given to us by the Company, in our opinion, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. as mentioned above.

We further report that:

The Board of Directors of the Company has been 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 period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) have been given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board and Committee Meetings have been carried out with requisite majority of the members of the Board or Committees as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

We further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period under review, the Company has the following specific event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

Annexure to Directors' Report

- The Shareholders of the Company approved issue of Bonus Equity Shares via Postal Ballot dated June, 26, 2025 have approved issue of 2,87,03,853 equity shares having a face value of Rs. 2/- (Rupees Two only) each, by capitalizing a sum of Rs. 5, 74,07 ,706/- in the ratio 1 :1, i.e., 1 (One) Bonus Equity Share of Rs. 2/- each for every 1 (One) existing Equity Share of Rs. 2/- each fully paid up, held by the members of the Company.

  Further, on July 7, 2025, the Board of Directors approved the allotment of 2,87,03,853 fully paid-up Bonus Equity Shares held by the members of the Company as on the record date i.e., Friday, July 4, 2025.

- The shareholders in Annual General Meeting held on September 18, 2025 approved final dividend of Rs. 32.50/- per equity share of the face value of Rs. 2/- each pertaining to the financial year 2024 - 25 amounting to Rs. 9,328.75 lakhs.

- The shareholders, through Postal Ballot on June 25, 2025, approved payment of commission to all or any of the Non-Executive Directors of the Company (excluding the Managing Director and Whole-time Directors), as may be determined by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, subject to an overall limit not exceeding 1% of the net profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013. Subsequently, at the Annual General Meeting held on September 18, 2025, the shareholders approved a partial modification to the aforesaid resolution, specifying that such approval shall remain valid for a period of five years commencing from April 1, 2025, while all other terms and conditions remained unchanged.

For VKC & ASSOCIATES
(Company Secretaries)
Unique Code: P2018DE077000

CS Mohit K Dixit
Partner
FCS No. 12361
C P No. 17827
UDIN: F012361H001131446
Peer Review Cer. No. 6406/2025

Date: August 10, 2026
Place: New Delhi

Annexure II

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]

1. Brief Outline of Company's CSR Policy

The CSR Policy sets out a broader action plan aimed at social and economic welfare of the society and compliance with the CSR objectives of the Company as provided under Schedule VII of the Companies Act, 2013 or as may be provided by the Ministry of Corporate Affairs / other Authority, from time to time. The Policy provides that CSR programs / activities shall be carried out directly or through contributions to its Philanthropic arm, Sharda CSR Foundation Trust. The Policy also details the procedure for communication, reporting and monitoring of CSR activities, including ongoing projects and other than ongoing projects.

2. Composition of CSR Committee:

SN	Name of Director	Designation	Nature of Directorship	Number of meetings entitled to attend	Number of meetings attended
1	Shri Kishan N Parikh	Chairperson	Non-Executive- Director	1	1
2	Shri Ajay Relan	Member	Managing Director	1	-
3	Shri Udayan Banerjee	Member	Non-Executive- Independent Director	1	1

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

CSR Committee - https://www.shardamotor.com/investor-relations/board-of-directors/
CSR Policy - https://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy-1.pdf
CSR Projects - https://www.shardamotor.com/about-us/csr-initiatives/

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. 35,824.65 Lakhs
	b)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 716.49 Lakhs
	c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
	d)	Amount required to be set off for the financial year, if any.	Nil
	e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	Rs. 716.49 Lakhs
6.	a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	Rs. 714.90 Lakhs
	b)	Amount spent in Administrative Overheads	Nil
	c)	Amount spent on Impact Assessment, if applicable	Not Applicable
	d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	Rs. 714.90 Lakhs

e) CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 1 35		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
Amount (In Rs. Lakhs)	Amount (In Rs. Lakhs)	Date of transfer	Name of the Fund	Amount (In Rs. Lakhs)	Date of transfer
714.90	1.59	28-04-2026	-	-	-

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

Sl. No.	Particular	Amount (Rs. in lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section135	716.49
(ii)	Total amount spent for the Financial Year	714.90
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Year**

Amount (Rs. in lakhs)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	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	Deficiency, if any
					Amount	Date of Transfer		
1	2024-25	73.80	-	73.80	-	-	-	-
2	2023-24	365.33	-	-	-	-	-	-
3	2022-23	214.06	-	-	-	-	-	-

8.

Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:	Yes		No	✓
If Yes, enter the number of Capital assets created/ acquired	Nil			

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

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

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135**

During the financial year 2025–26, the Company continued to focus its CSR efforts on initiatives in the areas of health and education, being key areas identified and approved by the CSR Committee in line with the Company's CSR Policy and the activities specified under Schedule VII of the Companies Act,

Annexure to Directors' Report

2013. These initiatives are aimed at creating sustainable social impact by improving access to healthcare services and supporting educational development for underserved communities.

The Company's CSR contributions were primarily directed towards ongoing projects in these focus areas. Since such projects are implemented in a phased manner and require continued support over a defined period, the entire CSR allocation could not be utilised during the financial year under review. Accordingly, the unspent amount of ₹1.59 lakhs, relating to ongoing CSR projects, has been duly transferred to the Unspent CSR Account for FY 2025–26 within the prescribed statutory timelines.

The said amount will be utilised for the implementation of the approved ongoing CSR projects in accordance with the applicable provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

On behalf of the Board of Director
For **Sharda Motor Industries Ltd.**

Kishan N Parikh
Chairperson
(DIN: 00453209)

Annexure III

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

Requirements of Rule 5(1)	Details	
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	**Name of Director**	**Ratio**
	Shri Kishan N Parikh	-
	Shri Ajay Relan	1:113
	Shri Udayan Banerjee	-
	Shri Navin Paul*	1:3
	Dr. Sarita Dhuper	-
	Shri Nitin Vishnoi	1:23
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	**Directors:**	**% Increment**
	Kishan N Parikh	NA
	Ajay Relan	Nil
	Navin Paul*	NA
	Udayan Banerjee	NA
	Sarita Dhuper	NA
	Key Managerial Personnel	
	Shri Nitin Vishnoi	10.00
	Shri Ghan Shyam Dass	20.00
(iii) the percentage increase in the median remuneration of employees in the FY;	8.81%	
(iv) the number of permanent employees on the rolls of Company;	801 Nos. employees as on March 31, 2026	
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last FY 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;	**1)** Average increase in remuneration of non-managerial personnel is 09.80% **2)** Average increase in remuneration of managerial personnel is 08.20%	
(vi) affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended March 31, 2026 is as per the Remuneration Policy of the Company.	

General Note:

For the purpose of the above calculation, the Company has considered only those employees who were in employment for the entire year during both, the year under review and the immediately preceding financial year. Employees not eligible for an increment have been excluded from the analysis.

**Not comparable, as remuneration was paid for the first time during the year.*

Annexure - IV

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

The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014

A. Conservation of energy

(i) The steps taken by the Company for conservation of energy or impact on conservation of energy:

Environmental stewardship is an integral part of the Company's business philosophy. As industries worldwide increasingly focus on sustainable development and climate resilience, the Company remains committed to minimizing the environmental impact of its operations through efficient resource utilization and responsible energy management.

Energy conservation is a key pillar of the Company's sustainability strategy. The Company continuously endeavors to improve energy efficiency by adopting advanced technologies, optimizing manufacturing processes, and exploring alternate and renewable sources of energy wherever feasible. These initiatives not only contribute to reducing greenhouse gas emissions but also enhance operational efficiency and long-term cost competitiveness.

During FY 2025–26, the Company continued to implement various energy conservation measures across its manufacturing facilities set out below:

- Maintenance of "Power Factor" to reduce consumption of electricity.
- Installation of efficient "Harmonic Panel" for reducing consumption of electricity.
- Replacement of halogen bulbs with LED lights across the plants.
- Installation of VFD drivers to save power in machines and motors.
- Regular cleaning of Solar Panels to increase solar energy contribution.
- Replacement of electric motors / other equipments with latest energy efficient equipments with higher standards.
- Press shop timer shaver have been installed to cut the idle running of the machines.
- Air Conservation system for Air Compressors.
- Autostop timers for shop floor machines, exhaust fans and welding machines.
- Installation of automatic sensors at several Plants for auto-cut off of the electricity of equipments and heavy motors / machines when not in use / idle.
- Installation of Solar Norikool Advance Day Light System at Nashik Plant.
- Installation of Solar Power Plant in SIPCOT and MWC plant.
- Portable compressor provided for WCC cleaning purpose in place of high-capacity compressor.
- Installation/Implementation of Robotic Cells as Automation drives effective utilization of energy
- Hydraulic Pumps eliminated by combining the hydraulic pump & operation in Chakan plant.
- Compressed Air Leakage reduction across all plants.
- Heavy duty roof top exhaust fan idle time run eliminated by providing timers.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Clean and renewable energy sources are the need of the hour. Fossil fuels are non-renewable and causing a great damage to the environment. We have to find more efficient and feasible sources of energy for our rapidly increasing demand of energy without harming the environment. Your Company has taken steps towards solar and wind energy in its plants.

- Solar Power plants have been installed in the Nashik and Chakan plant.
- The Company is using Wind Power as its major power source in SIPCOT and MWC Plant.

Annexure to Directors' Report

B. *Technological Absorption:*

(i) Efforts made towards innovation, technology development, absorption and adaptation;

Technology absorption at Sharda Motor Industries Limited (SMIL) reflects the company's ability to acquire, develop, adapt and commercialize advanced technologies across its automotive product and manufacturing portfolio. The company follows a combination of in-house research and development, strategic collaborations, localization and backward integration to strengthen its technological capabilities and reduce dependence on external sources.

SMIL has progressively built strong in-house capabilities in emission control systems, exhaust systems, suspension components and lightweighting solutions. Its R&D infrastructure includes a dedicated R&D centre in Chennai and a Design & Development Centre in Namyang, South Korea, supported by more than 125 R&D personnel. The company has developed capabilities covering product concept, design, testing, validation, emission technologies and NVH engineering.

The company has moved from technology adoption toward indigenous development, including the first in-house development of mixing devise for UI improvement and subsequent development of products compliant with BS6 & BS6 RDE. Complete cold-end exhaust systems have been developed with improving fuel economy and consequent reduction in CO2 through low back pressure.

The company is increasingly strengthening its innovation capability through intellectual property creation. As of March 2026, SMIL has filed 22 patents and 4 patents have been granted over the preceding four years, demonstrating a transition from absorbing technology to creating proprietary technological solutions.

Going forward, technology absorption at Sharda Motor is expected to play an important role in developing solutions for stricter emission regulations, lightweighting, global automotive applications and adjacent mobility segments. Continued investment in R&D, collaboration with global technology partners, development of indigenous engineering capabilities and rapid commercialization of new technologies will help SMIL strengthen its competitiveness and increase its participation in global automotive supply chains.

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

- Import substitution and less dependence on technical collaborations;
- Product line extension, introduction of mixing devise for UI improvement;
- Improving fuel economy and consequent reduction in CO2 through low back pressure;
- Improvement in core competencies and standardisation and correlation;
- Significant improvement in meeting demands of end users**.**

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

No Technology has been imported during the last three years.

(iv) The expenditure incurred on Research and Development.

Capital Expenditure– Rs. 47.52 Lakhs

Revenue Expenditure– Rs. 549.18 Lakhs

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows. The information is reported under suitable heading in the 'Notes to Accounts'.

Annexure V

REPORT ON CORPORATE GOVERNANCE

Corporate governance is the foundation of sustainable business growth, responsible business conduct and stakeholder trust. It encompasses principles of independence, transparency, accountability, compliance, ethical conduct, and responsible decision-making. Together, these principles enable an organization to operate efficiently, ethically, and responsibly, while promoting long-term value creation for all its stakeholders.

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Sharda Motor Industries Limited (SMIL) is committed to maintaining the highest standards of governance, transparency, accountability, and ethical business practices across all its operations. Guided by a robust governance framework and a culture of integrity, the Board and Management continuously strive to ensure compliance with applicable laws and regulations while creating long-term value for shareholders and other stakeholders. The Company believes that strong corporate governance is essential for enhancing organizational performance, managing risks effectively, and achieving sustainable growth.

The company has in place, the SMIL - Code of Conduct for Board Members and Senior Management Personnel, which is applicable for all the Board Members, including the Independent Directors and Senior Management Personnel.

The Company has complied with the applicable requirements of Corporate Governance under the SEBI Listing Regulations. Risk management and the internal controls remain key focus areas and the Company is committed to strengthening these process in line with the evolving governance standards. The company also had robust compliance management tool for tracking and managing on compliances with all laws and regulations applicable to the Company.

In alignment with its governance philosophy, SMIL is also deeply committed to Environmental, Social, and Governance (ESG) principles. The Company's ESG vision is to lead the way in responsible automotive innovation enabling sustainable mobility, empowering communities, and operating with integrity for a greener, safer future. The Company is working towards reducing its environmental footprint by adopting resource-efficient practices, exploring sustainable sourcing and manufacturing opportunities, and monitoring and reducing its emissions and environmental impacts. SMIL is equally focused on building an inclusive, safe, and empowering workplace for its employees, while contributing positively to the communities in which it operates through targeted social initiatives. The Company upholds transparency, ethical business conduct, and robust oversight to promote responsible decision-making and long-term value creation.

2. BOARD OF DIRECTORS

The Board of Directors ('the Board') is the apex body, for overseeing the Company's overall functioning. The Board provides strategic direction and governance oversight of the Company. It is responsible for approving the Company's strategy, monitoring performance, ensuring robust governance and safeguarding stakeholder interests. The Board discharges its responsibilities directly and through its committees, in accordance with applicable legal and regulatory requirements. The Board of Directors comprises of professionals with diverse expertise and experience.

As on March 31, 2026, the Board of Directors of the Company consists of 6 (Six) Directors. The Company has a Non-Executive Chairperson and three (50%) Independent Directors ('IDs'), including one Women Independent Director. The composition of the Board is in conformity with the applicable provisions of the Companies Act ('The Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board. At the time of their appointment and thereafter at the first board meeting of every financial year, the Independent Directors submit declarations confirming that they meet the prescribed criteria

of independence under the Act and the Listing Regulations and that they are not debarred from holding the office of Director by virtue of any order of SEBI or any other statutory authority. Such declarations are placed before the Board. In the Opinion of the Board, all Independent Directors of the Company fulfil the conditions specified under the Act and the Listing Regulations and are independent of the management of the Company. No Independent Director of the Company has resigned before the expiry of their tenure during the financial year.

Details of familiarisation programme(s) conducted for independent directors along with cumulative number of hours thereof are available on Company website at https://www.shardamotor.com/wp-content/uploads/2016/08/Independent-Directors-Familirisation-Programme.pdf.

The Board met Four (4) times during the financial year 2025-26 on, May 24, 2025, August 08, 2025, November 11, 2025 and February 06, 2026. All the Board and Committee Meetings were conducted in compliance with the applicable provisions of the Act, Listing Regulations and Directives issued/notified by the Ministry of Corporate Affairs/other regulatory Authorities. The Company offered the facility of video conferencing, as prescribed under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, to facilitate the Directors to participate in the Meetings remotely. The intervening gap between any two meetings was well within the prescribed statutory limit.

In addition to the above, during the year under review a separate meeting of Independent Directors was held on March 26, 2026 in accordance with the Regulation 25(3) of Listing Regulations and and the provisions of Schedule IV to the Act.

The composition and category of directors, their attendance at the Board meetings held during the year ended March 31, 2026 and at the last Annual General Meeting, the number of other directorships and membership/ chairpersonships of committees and shareholding in the Company as at March 31, 2026 are tabulated hereunder:

S. No.	Name of the Director (DIN) (Designation) Category	No. of Board Meeting attended	Attendance at last AGM held on September, 18, 2025	Directorship of other companies*		Name & Category of Directorship in other Listed Entities	Committee position held in other public Companies#		Shareholding in the Company As on March 31, 2026
				Chairperson	Director		Chairperson	Member**	
1.	Shri Kishan N Parikh (DIN: 00453209) Chairperson/Non-Independent/ Non-Executive Director	4/4	Yes	1	2	1) Pebco Motors Limited (Managing Director)	-	2	1,500
2.	Shri Ajay Relan (DIN: 00257584) Managing Director/ Promoter	4/4	Yes	-	1	-	-	-	70,34,488
3.	Shri Navin Paul (DIN:00424944) Independent/ Non-Executive Director	4/4	Yes	-	3	1) Pricol Ltd. (ID) 2) Amalgama-tions Repco Ltd. (ID) 3)IP Rings Limited (ID)	1	3	Nil
4.	Shri Udayan Banerjee (DIN: 0339754), Independent/ Non-Executive Director	4/4	Yes	-	-	-	-	-	Nil
5.	Smt. Sarita Dhuper[1] (DIN:08776286) Independent/ Non-Executive Director	4/4	No	-	-	-	-	-	Nil
6	Shri Nitin Vishnoi (DIN:-08538925) Whole Time Director	4/4	Yes	-	-	-	-	-	Nil

Note: During the financial year 2025-26, there is no inter-se relationship between our Board members.

* Excludes directorship in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act.

\# For the purpose of considering the limit of committee membership and Chairpersonship of a director, audit committee and stakeholder relationship committee of all Public Limited Companies, whether listed or not, have been considered. Further membership also includes Chairpersonship.

[1] Smt. Sharita Duper was re-appointed as Non-Executive - Independent Director of the Company, for second term of five consecutive years w.e.f. June 29, 2025.

LIST OF CORE SKILLS/ EXPERTISE/ COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF THE COMPANY'S BUSINESS(S) AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY AND THOSE ACTUALLY AVAILABLE WITH THE BOARD:

The Board has identified the skills, expertise and competencies required for effective functioning of the Company. Further the Board comprises members possessing the requisite skills, experties and competencies relevant to the Company's business and affairs.

In the opinion of the Board, the following skills, expertise and competencies are considered core and relevant in the context of the Company's business and are required for its effective functioning. The absence of a mark against a Director's name does not necessarily imply that the Director does not possess the corresponding skill, expertise or competency:

S. N	Name of Director	Industry knowledge/Competencies				
		Leadership & strategy	Environ-mental / sustainability and CSR	Industry knowledge Innovation & Technology	Corporate Governance, Ethics & compliance	Finance & Risk Management
1	Shri Kishan N Parikh	√	√	√	√	√
2	Shri Ajay Relan	√	√	√	√	√
3	Shri Navin Paul	√	√	√	√	√
4	Shri Udayan Banerjee	√	√	√	√	√
5	Smt. Sarita Dhuper	√	-	-	√	√
6	Shri Nitin Vishnoi	√	√	√	√	√

3. COMMITTEES OF THE BOARD

The Board Committees are essential for effective corporate governance, providing focused oversight and specialized expertise in key areas. They enhance the Board's efficiency by allowing focused discussions and in-depth analysis of specific topics, such as finance, audit, governance, and risk management. This division of responsibilities ensures thorough oversight, informed decision-making, and strategic focus, ultimately strengthening the Company's overall Governance Framework. The Committees may invite special invitees to attend the meeting when necessary. The proceeding of committee meeting and minutes thereof are placed before the Board for noting. During the year, the Board has endorsed all Committee recommendations.

4. AUDIT COMMITTEE

The constitution of the Audit Committee is in line with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. As on March 31, 2026, the Audit Committee comprises one (1) Non-Executive Director and two (2) Independent Directors of the company. The Chairperson of the Committee is an Independent Director. All the three members of the Committee have adequate financial and accounting knowledge and background. The Company Secretary of the Company acts as Secretary of the Committee.

In addition to the members, the audit committee meetings were attended by the Managing Director, Executive Director and Company Secretary, CFO, Compliance Officer and representative(s) of the Statutory Auditors of the Company. Whenever felt necessary, other executives of the company or experts were invited to provide necessary inputs to the committee.

The Audit Committee of the company acts in accordance with the terms of reference as provided under applicable laws and as may be specified by the Board from time to time.

The terms of reference of audit committee inter alia includes the following: -

(i) oversight of the Company's financial reporting processes and disclosures of financial information;

(ii) recommendation to the Board for appointment, remuneration etc. of auditors and reviewing their performance;

(iii) review of financial statements including subsidiaries financials and auditor's report thereon;

(iv) discussion with statutory/internal auditors of the Company about their findings, observations, suggestions, scope of audit etc.;

(v) review of internal control systems and accounting policies followed by the Company;

(vi) Approval of related party transactions and subsequent material modifications thereon, including approval of material related party transactions of the subsidiary Companies;

(vii) To review the functioning of the whistle blower mechanism.

(viii) Discuss with the Statutory Auditors before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.

The Chairperson of the committee was present at the last Annual General Meeting held on September 18, 2025 to address the members of the Company.

During the year ended March 31, 2026, the Audit Committee meetings were held on May 24, 2025, August 08, 2025, November 11, 2025 and February 06, 2026.

The Composition of Committee and attendance of Members at the meeting held during the financial year 2025-26 are tabulated hereunder:

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Navin Paul	Independent & non-executive	Chairperson	4	4
Shri Kishan N Parikh	Non-Independent & Non-Executive	Member	4	4
Shri Udayan Banerjee	Independent & Non-Executive	Member	4	4

5. NOMINATION AND REMUNERATION COMMITTEE

The constitution of Nomination and Remuneration Committee is in line with section 178 of the Act and Regulation 19 of the Listing Regulations. As on March 31, 2026, the Nomination and Remuneration Committee comprises one (1) Non-Executive Director and two (2) Independent Director of the Company. The Company Secretary of the Company acts as the secretary of the Committee.

During the year under review, the Nomination and Remuneration Committee met 4 times on May 24, 2025, August 08, 2025, November 11, 2025 and February 06, 2026.

The terms of reference of the Nomination and Remuneration Committee are aligned with the matters as stated in section 178 of the Act and Regulation 19 read with Part-D of Schedule II of Listing Regulation which includes inter alia:

i) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors, a policy relating to the remuneration of the Directors, key managerial personnel and other employees.

ii) For appointment of an Independent Director, the Nomination and Remuneration Committee shall 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 shall have the capabilities identified in such description.

iii) To formulate the criteria for evaluation of Independent Directors and the Board of directors.

iv) To devise a policy on Board diversity.

v) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

vi) To recommend the remuneration of the Managing Director(s), Whole-time Director(s) and their relatives, Key Managerial Personnel and Senior Management based on their performance and defined assessment criteria.

vii) To extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent directors.

viii) To carry out any other functions as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.

Performance evaluation criteria is given in Directors Report, forming part of this Corporate Governance Report in line with the Act and Listing Regulations.

The Composition of the Committee and attendance of Members at the meeting held during the financial year 2025-26 are tabulated hereunder:

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Navin Paul	Independent & Non-Executive Director	Chairperson	4	4
Shri Kishan N Parikh	Non-Independent & Non-Executive Director	Member	4	4
Shri Udayan Banerjee	Independent & Non-Executive Director	Member	4	4

The Non-Executive Directors are paid sitting fees for attending Board and committee meetings. Criteria for making the payment to Non-Executive Directors is disclosed in the Policy for Nomination, Remuneration, Evaluation and orderly succession which is available on the website of the Company at https://www.shardamotor.com/wp-content/uploads/2026/05/Nomination-Remuneration-Evaluation-and-Orderly-Succession.pdf.

REMUNERATION OF DIRECTORS: The details of remuneration paid to the Board of the Directors in the financial year 2025-26 is given hereinunder:

EXECUTIVE DIRECTORS

(Rs. in Lakhs)

Name of Director	All elements of remuneration package i.e. salary, benefits, bonuses, stock options, pension, etc.	Fixed component and performance linked incentives along with the performance criteria[5]	Service contracts period, notice severance fees	Stock option with details, if any and issued at discount as well as the period over which accrued and over which exercisable	Total
Shri Ajay Relan	430.48	319.95	-	-	**750.43**
Shri Nitin Vishnoi	131.25	24.44	-	-	**155.69**
Total	**561.73**	**344.39**	**-**	**-**	**906.12**

NON-EXECUTIVE DIRECTORS

(Rs. in Lakhs)

Name of Director	Sitting fee	Performance Incentive	Total
Shri Kishan N Parikh	7.20	-	**7.20**
Shri Udayan Banerjee	7.20	-	**7.20**
Smt. Sarita Dhuper	3.00	-	**3.00**
Shri Navin Paul	6.50	13.75[5]	**20.25**
TOTAL	**23.90**	**13.75**	**37.65**

Notes:

1. The tenure of executive directors of the Company is 5 years from the date of their appointment/ re-appointment at current designation.
2. The Company has an Employee Stock Option Scheme viz SMIL ESOP 2022, however, no shares have been allotted against the same till March 31, 2026.
3. Notice period is three calendar months or lesser notice in writing as may be agreed mutually.
4. There is no separate provision for payment of severance fee governing the appointment of executive directors.
5. Performance incentives / variable pay were paid to the directors based on their individual performance during the financial year and their overall performance, assessed against the performance criteria determined and evaluated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors, in accordance with the applicable provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. There has been no pecuniary relationship or business transaction by the Company with any Independent Non- Executive Director, other than (i) the sitting fee for attending the Board / Committee meetings(ii) the payment of dividend on the equity shares held by them in the company (if any) and (iii) Performance incentive.

6. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR.

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, has identified category of Senior Management Personnel(s) (SMP) pursuant to the provisions of regulation 16(1)(d) of listing regulation. Details of SMP as on March 31, 2026 are as under:

S. No	Name of Employee	Designation	Change during Financial year 2025-26 (If any)
1	Aashim Relan	Chief Executive Officer	
2	Ashwani Maheshwari	Deputy Managing Director	Appointed on July 01, 2025
3	Nitin Vishnoi	Executive Director & Company Secretary	
4	Ghan Shyam Dass	Chief Financial Officer	Appointed on April 01, 2025
5	Ashish Kulkarni	Chief Purchasing Officer	
6	Krishan Kumar Sharma	Chief Manufacturing Officer	
7	Deepak Manchanda	Chief Executive Officer - Global Business	
8	Sandeep Kumar Ruhela	Chief Strategy Officer - Transformation & Strategy	
9	Dnyaneshwar Pramod Dandekar	Senior Vice President - Research & Development	
10	Paramjeet Singh	Senior Vice President -Sales & Business Development	
11	Raviraman T	Senior Vice President - Quality	
12	Rajesh Malik	Vice President - Safety	
13	M Yuvaraja	Senior General Manager - Industrialisation	

* Only those persons are considered who are identified as SMP as on March 31, 2026.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE ("SRC")

The constitution of Stakeholder Relationship Committee is in accordance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations. As on March 31, 2026 the Stakeholder relationship Committee comprised of three (3) Director, one (1) Non-Executive Director, One (1) is Independent Director and One (1) is Executive Directors. The Chairperson of the Committee is Non–Executive Independent Director.

The Committee met once during the financial year 2025-26 on May 24, 2025. The Chairperson of the SRC Committee was present at the last Annual General Meeting of the Company held on September 18, 2025.

The terms of reference of the Stakeholders Relationship Committee, inter-alia, include the following:

(i) to consider and resolve the grievances of 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.;

(ii) to consider and approve investor requests for dematerialisation and rematerialisation of shares. Issue of share certificate upon split / consolidation / sub-division of share / debenture

(iii) to consider and approve issue of share certificates, including issue of renewed or duplicate share certificates, transfer and transmission of securities, etc;

(iv) to review measures taken by the Company for effective exercise of voting rights by the Shareholders;

(v) to review adherence to the standards adopted by the Company in respect of services being rendered by the Registrar & Share Transfer Agent;

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

(vii) Review movements in shareholding and ownership structures of the Company.

(viii) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

The composition of the Committee and attendance of members at the Committee meeting held during the year ended March 31, 2026 are tabulated hereunder:

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Udayan Banerjee	Non-Executive-Independent Director	Chairperson	1	1
Shri Ajay Relan	Executive Director	Member	1	1
Shri Kishan N Parikh	Non-Executive- Non-Independent Director	Member	1	1

Shri Nitin Vishnoi, Company Secretary of the company acts as the secretary of the committee. Mrs. Iti Goyal, Assistant Company Secretary is the Compliance Officer of the committee

During the year ended March 31, 2026, status of investor grievances is tabulated hereunder: -

Description	Numbers
Complaint pending as on April 01, 2025	Nil
Complaints received during the financial year 2025-26	3
Complaints disposed-off up to the satisfaction of shareholder during the financial year 2025-26	3
Complaints pending as on March 31, 2026	Nil

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR Committee)

The Constitution of Corporate Social Responsibility Committee is in line with the provisions of Section 135 of the Act read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014. As on March 31, 2026, the Corporate Social Responsibility Committee of the company consists of three (3) directors, two (2) non- executive director and one (1) is executive director. The Company Secretary acts as the Secretary of the committee.

Term of reference: The terms of reference of the committee are in line with the Act which *inter- alia* include.

(i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;

(ii) Recommend the amount of expenditure to be incurred on the CSR activities.

(iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(iv) Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).

(v) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

During the financial year 2025-26, CSR Committee meetings were held on March 26, 2026. The Composition of the Committee along with the attendance of its members are as under: -

Name of Director	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Kishan N. Parikh	Non-Executive – Non-Independent Director	Chairperson	1	1
Shri Ajay Relan	Executive Director	Member	1	None
Shri Udayan Banerjee	Non-Executive - Independent Director	Member	1	1

The Corporate Social Responsibility Report for the year ended March 31, 2026 is annexed to the Director's Report.

9. RISK MANAGEMENT COMMITTEE (RMC)

The Constitution of Risk Management Committee is in line with the provisions of Regulation 21 of the Listing Regulations. As on March 31, 2026, the Risk Management Committee comprises of 4 Directors, One (1) Executive Director, Two (2) Independent Directors and One (1) Non-Executive Director. The Chairperson the RMC is Non-Executive Director. Chief Financial Officer of the Company is permanent invitee to the Committee. The Company Secretary acts as the Secretary of the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Regulation 21 read with Part D of Schedule II of Listing Regulations. Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Director from time to time.

Term of reference: The terms of reference of the committee are in line with the Listing Regulations which *inter- alia* include:

- Identification of internal and external risks specifically faced by the listed entity
- Measures for risk mitigation
- Business continuity plan
- Periodically review the risk management policy, at least once in two years
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks
- Informing the nature and content of discussions, recommendations and actions to be taken
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

During the financial year 2025-26, Risk Management Committee meetings were held on August 08, 2025 and February 06, 2025. The Composition of the Committee along with the attendance of its members are as under:

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Kishan N Parikh	Non-Independent, Non- Executive Director	Chairperson	2	2
Shri Ajay Relan	Executive Director	Member	2	2
Shri Udayan Banerjee	Independent, Non- Executive Director	Member	2	2
Shri Navin Paul	Independent, Non- Executive Director	Member	2	2

The Company has also devised Risk Management Policy for understanding of Risk factors / parameters and its process of monitoring and mitigation and the same is also available on the Company's website at: https://www.shardamotor.com/wp-content/uploads/2021/07/Revised-Risk-Management-Policy-Clean-Version.pdf.

10. GENERAL BODY MEETINGS

A. Annual General Meeting of last 3 years:

AGM No.	Year	Venue	Date	Time	No. of Special Resolutions
40	2024-25	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	18.09.2025	12:00 noon	One
39	2023-24	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	26.09.2024	12:00 noon	One
38	2022-23	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	26.09.2023	12:00 noon	None

B. Extraordinary General Meetings

No Extraordinary General Meetings was held during the year under review.

C. Postal Ballot

Date of Postal Ballot Notice : May 24, 2025
Voting period : May 27, 2025 to June 25, 2025
Date of Passing of Resolution : June 25, 2025
Date of Declaration of Results : June 26, 2025

Resolution 1:	Re-Appointment of Mrs. Sarita Dhuper (DIN: 08776286) as Non-Executive Independent Director of the Company	Special Resolution
Resolution 2:	Payment of commission to the Non-Executive Directors of the Company.	Special Resolution
Resolution 3:	Issue of Bonus Equity Shares to the shareholders of the Company	Ordinary Resolution

Procedure for Postal Ballot

The Company dispatched Postal Ballot Notice(s) along with Explanatory statement and relevant annexures through e-mail on Monday, May 26, 2025 to its members, whose names appeared in the Register of Members as on Friday, May 23, 2025 ('cut-off date') and whose e-mail Ids were registered with the Company/ the Depositories/ Registrar and Share Transfer Agent. The company had published an advertisement on Tuesday, May 27, 2025 regarding service of Postal Ballot Notice to eligible members in New Delhi edition of Financial Express (English) and Vir Arjun (Hindi). As per relaxation given by Ministry of Corporate Affairs through its various General circulars issued from time to time, the Members of the Company were given facility to vote through electronic means only (remote e-voting). The e-voting facility was provided by CDSL through its e-voting platform at https://www.evotingindia.com/

The Board of Directors in their Meeting held on May 24, 2025 had appointed Shri Vineet K Chaudhary (Company Secretary in whole time practice, bearing Membership No. FCS 5327), Managing Partner of M/s. VKC & Associates, or failing of him Sh. Mohit K Dixit (Company Secretary in whole time practice, bearing Membership No. FCS 12361), Partner of M/s. VKC & Associates, New Delhi, as the Scrutinizer for conducting the E-voting process in a fair and transparent manner.

Details of Voting Pattern

Mode	Total Valid Votes		Votes in Favour			Votes Against		
	Voters	No. of Votes	Voters	No. of Votes	%	Voters	No. of Votes	%
Resolution 1 Re-Appointment of Mrs. Sarita Dhuper (DIN: 08776286) as Non-Executive Independent Director of the Company	176	22390655	171	22385954	99.979	5	4701	0.021
Resolution 2 Payment of commission to the Non-Executive Directors of the Company	179	22390655	127	21084501	94.167	52	1306154	5.833
Resolution 3 Issue of Bonus Equity Shares to the shareholders of the Company	179	22390655	170	22251151	99.377	9	139504	0.623

11. MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans with all stakeholders which promotes management-shareholder relations.

Financial Results: The Quarterly/Half Yearly/Annual financial results are regularly submitted to the stock exchanges viz BSE Limited and National Stock Exchange of India Limited and are also uploaded on the website of the Company at www.shardamotor.com Besides this, the same are published in two Newspapers, generally in financial express (in English) and vir arjun (in Hindi).

Investors/Analyst Meets: The Company conducts investor/analysts calls with investors post declaration of financial results to brief on the performance of the Company. In line with the requirements of Listing

Regulations, the statutory notices, investor presentations, audio recordings and transcripts of investor calls are available of the website of the Company at www.shardamotor.com besides their submission to the stock exchanges viz BSE Limited and National Stock Exchange of India Limited .

News Release: Official news releases are sent to stock exchanges, wherever required and simultaneously displayed on Company's website https://www.shardamotor.com/news-events/.

Company's Website: The Company's website contains a dedicated section for Investors as per the requirements of Regulation 46 of the Listing Regulations, where Annual Reports, quarterly and annual results, stock exchange filings, press releases, quarterly reports, all statutory policies, information relating to investor service requests, unclaimed / unpaid dividends, process to reclaim shares and dividends transferred to IEPF, Investor Grievance Redressal Mechanism, etc. are available, apart from the details about the Company, Board of Directors and Management. The transcript of the AGM is also available on the website of the Company.

Reminder to Shareholders: Reminders are sent to the Shareholders of the Company for:

- Annual KYC letters for registering their PAN, KYC & Nomination details;
- claiming the unclaimed dividends and/or shares before transferring thereof to the IEPF;
- Updation of e-mail ids for receiving the company communication along with Annual Report over e-mail.

Electronic Communication – SMIL Green Initiative: The Company had during FY26 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company/Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, without any delay.

12. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting

Date	September 24, 2026
Venue	AGM through Video Conferencing/Other Audio Visual Means facility Deemed Venue for Meeting - Registered Office:
Time	12:00 Noon
Record Date/Cut-off Date (for AGM e-voting and Final Dividend)	September 18, 2026

b) Financial Year: 1st April to 31st March

c) Dividend Payment: Dividend, if declared, will be paid within the time prescribed under law.

d) Listing on Stock Exchanges: The Company's shares are listed at following stock exchanges:

S. No.	Name and address of the Stock Exchanges	Stock Code
1	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	535602
2	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Mumbai- 400051	SHARDAMOTR

For the financial year 2026-27, the Company has paid the Listing Fees to the above Stock Exchanges and the Custody Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The securities of the Company have not been suspended from trading during the year.

e) Registrar & Transfer Agent

Alankit Assignments Limited at the address given below:

M/s. Alankit Assignments Limited Alankit Heights,
4E/2, Jhandewalan Extension, New Delhi - 110055
Tel: 011-42541234, 23541234
Fax: 011-41543474 E-mail: rta@alankit.com

f) Share Transfer System

All transmission or transposition of securities are conducted in accordance with the provisions of Regulation 40 and Schedule VII of the SEBI Listing Regulations, read together with relevant SEBI Circulars. As mandated by SEBI, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Further, SEBI vide its Circular No. SEBI/HO/ MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022, mandated all the listed companies to issue securities in dematerialised form only, while processing the service request for issue of duplicate securities certificates, renewal/ exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition.

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.

The transfer of securities which were purchased/sold prior to April 1, 2019, whether rejected/returned due to deficiency in documents or not, such transfer can be relodged with requisite documents during the special window provided by SEBI vide their circular no. HO/38/13/11(2)2026-MIRSD-POD/ I/3750/2026 dated January 30, 2026, from February 5, 2026 till February 4, 2027. Shareholders desirous of availing these services are requested to refer to the detailed procedure hosted on the website at https://www.shardamotor.com/investor-relations/investor-forms/.

The Company has processed all the valid investor service requests within stipulated time frame in line with Listing Regulations and SEBI Circulars issued on processing of Investor Service request. Trading in equity shares of the Company is permitted only in dematerialized form. Transfer of dematerialized shares is done through the depositories with no involvement of the Company.

g) Distribution of shareholding as on March 31, 2026*

Category (No. of shares)	No. of shareholders	Percent of shareholders	No. of Shares	Percent of equity shares
1-500	35301	94.84	2096030	3.65
501-1000	933	2.51	708736	1.23
1001-2000	401	1.08	615548	1.07
2001-3000	162	0.44	407569	0.71
3001-4000	88	0.24	317952	0.55
4001-5000	41	0.11	187912	0.33
5001-10000	120	0.32	858145	1.49
10001-99999999999	174	0.47	52215814	90.96
Total	**37220**	**100.00**	**57407706**	**100.00**

* PAN consolidated distribution schecule

Shareholding Pattern as on March 31, 2026*

Category Code	Category	Number of Shareholder	Total No. of shares	Percent of total no. of Shares
(A)	**Promoters and Promoter Group**			
	(i) Resident Individual	4	10508550	18.31
	(ii) Trust	1	26407546	46.00
(B)	**Public Shareholding**			
	Individuals	35000	9596278	16.72
	Mutual Funds/ UTI	8	6546026	11.4
	Foreign Portfolio Investors I	64	880201	1.53
	Foreign Portfolio Investors II	9	517075	0.9
	Unclaimed or Suspense or Escrow Account	1	225825	0.39
	Alternate Investment Funds	5	60924	0.11
	Bodies Corporate	209	1061421	1.85
	Non-Resident Indians	957	663071	1.16
	Trust	2	14330	0.02
	Clearing Members	11	57805	0.1
	Resident HUF	912	293942	0.51
	LLP	36	269072	0.47
	IEPF	1	305670	0.53
	Total Shareholding	**37220**	**57407736**	**100**

* PAN consolidated basis.

h) Dematerialization of shares and liquidity

The shares of the Company are traded in dematerialized form and are available for trading with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has availed the dematerialization facility from both depositories ie, CDSL and NSDL. As on March 31, 2026, 99.60 Percent shares of the Company are held in dematerialized form.

i) Outstanding Global depository receipts (GDRs) or American depository receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact of equity:

As the Company have not issued any GDRs or ADRs or Warrants or any convertible instruments in the previous years and current year, there are no outstanding GDRs or ADRs or Warrants or any convertible instruments as on 31st March 2026.

j) Commodity price risk or foreign exchange risk and hedging activities

i. Risk Management Policy of the Company with respect to the Commodities and Forex: Commodities form a major part of the raw materials required for the Company's products portfolio and hence commodity price risk is one of the important market risks for the Company. The Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from the market volatility in terms of price and availability. In the ordinary course of business, the company has done suitable price indexing arrangement with customers for price movements.

ii. Exposure of the listed entity to material commodities in terms of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141, dated November 15, 2018:

Commodity	Exposure (Rs. In Lakh)	Exposure (Qty in MT)	Percentage Hedged		Percentage Hedged	
			Domestic OTC	Domestic Exchange	Int'l OTC	Int'l Exchange
Stainless Steel (SS)	26,341	33,366	Nil	Nil	Nil	Nil
Aluminized Coated Mild Steel (ACMS)	2,554	2,868	Nil	Nil	Nil	Nil
Mild Steel (MS)	5,518	7,500	Nil	Nil	Nil	Nil
Total	34,414	43,734	Nil	Nil	Nil	Nil

iii. Commodity risks faced by the listed entity during the year and how they have been managed:

During the year under review, steel and allied commodities were largely stable, however, gained volatility towards the latter part of the year due to various factors including geopolitical conditions. Precious metals saw significant rise in prices. In order to deal with these factors, the company works on various strategies to offset the impact of cost pressures, if any.

k) Credit Ratings

CRISIL Ratings has reaffirmed the credit rating on the on the bank working capital facilities of Sharda Motor Industries Limited (SMIL) at CRISIL AA-/Positive (Reaffirmed) for "Long Term Rating and CRISIL A1+ (Reaffirmed) for the Short-Term Rating". Further there are no debt instruments or any fixed deposit schemes or any scheme or proposal for mobilisation of funds issued by the Company. Source: https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/ShardaMotorIndustriesLimited_July%2030_%202025_RR_369590.html.

l) Other Disclosures

(i) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI or any other statutory authority.

(ii) The company has a vigil mechanism for its Stakeholders excluding the shareholders (who have a mechanism to report their concerns to the Company through the Investor Grievance mechanism as laid down under the Listing Regulations) to report their genuine concerns. The Vigil Mechanism / Whistle Blower Policy is available on the company's website at https://www.shardamotor.com/wp-content/uploads/2026/05/2_Whistle-Blower-Policy.pdf

During the year, no personnel have been denied access to the Audit Committee.

(iii) The particular of the related party transactions as per the terms of IND AS 24 "Related Party Disclosure" specified u/s 133 of the Act read with rule 7 of the companies (Accounts) Rules, 2014 and regulation 23 of Listing Regulations are disclosed in the relevant note of the notes to the financial statement. However, these transactions are not likely to conflict with the company's interest. All related party transactions were entered in the ordinary course of business and at arm's length basis. The requisite confirmation regarding compliance with the related party transaction provisions under the Listing Regulations is submitted to the Stock Exchanges along with the quarterly compliance report on Corporate Governance.

There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The Company has formulated a Policy on Related Party Transactions and on dealing with material related party transactions. The said Policy is available on the web link: https://www.shardamotor.com/wp-content/uploads/2026/05/8.-Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf

(iv) During the year ended March 31, 2026, there was no unutilized fund raised through Qualified Institutional Placement or Preferential Issues as specified under Regulation 32(7A).

(v) The Company has adopted the SMIL - code of conduct for Prevention of Insider Trading and Fair Disclosure of UPSI (Code) as per SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulation"). The code details the standards and procedures to be adhered to while in possession of Unpublished Price Sensitive Information (UPSI) and trading in the Company's securities. It also elaborates the procedure for taking action against Directors and employees who violate the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code. Pursuant to the amendments of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has suitably modified the provisions of the Code which are effective from July 28, 2025. Ms. Iti Goyal, Assistant Company Secretary is the Compliance officer of the Company.

(vi) A certificate in pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming the Non-Disqualification of Directors for the financial year ended March 31, 2026 obtained from M/s Jaya Yadav & Associates Unique Id No. I2013HR1041100) has been enclosed as Annexure - VII to this Report.

(vii) Total fees paid by the Company and its Subsidiaries on a Consolidated basis to the Statutory Auditor for all the services. The details of fees paid for all services by the Company and its Subsidiaries to the Statutory Auditors of the Company is given below.

S. N.	Particular	Amount FY. 2025-26 (Rs. Lakhs)
As Auditor		
	Statutory Audit Fees	32.91
	- Tax audit fee	6.00
	- certification Fee	3.93
	- Other Services	0.81
Total		43.65

viii) Disclosures with respect to the complaint for Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a. number of complaints pending at the beginning of the financial year - Nil
b. number of complaints filed during the financial year - Nil
c. number of complaints disposed of during the financial year - NA
d. number of complaints pending as on end of the financial year – Nil

ix) During the Financial Year 2025-26, there were no loans/advances provided by the Company and its subsidiaries to the firms/companies in which directors of the Company or its subsidiaries are interested.

x) The Company did not have any material subsidiaries during the year under review, therefore disclosure required under Para B Sub-para (10)(n) of Schedule V is not applicable.

xi) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations. the Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable, and necessary disclosures thereof have been made in this Corporate Governance Report.

xii) The Company has complied with all the mandatory requirements of Listing Regulations and the discretionary requirements have been adopted to the extent and in the manner as stated hereunder:

a) Maintenance of Chairperson's office: The Non-Executive Chairperson has a separate office which is not maintained by the Company.
b) Woman Independent Director: The Company one-woman independent director in terms of Regulation 3(2) of the Listing Regulations.
c) Shareholder Rights: Annual financial performance of the Company is sent to all the Members whose e-mail IDs are registered with the Company/Depositories. The results are also available on the Company's website at www.shardamotor.com
d) The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its financial statements.
e) The Company had different persons for the positions of Chairperson, Managing Director and Chief Executive Officer.
f) Reporting of Internal Auditor: The Internal Auditor places his reports on the Internal Audit of the company before Audit Committee periodically.

g) Meetings of IDs: During the year under review, one meeting of the Independent Directors ("ID Meeting") was held on March 26, 2026 without the presence of Non-Independent Directors and members of Management. All the Independent Directors were present at the ID Meeting.

h) Risk Management Committee: Further in view of the Regulation 21 read with Schedule II, Part D Para C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Risk Management Committee and has devised the Risk Management Policy for understanding of risk factors / parameters and the process of monitoring and mitigation thereof. Risk Management Policy is available on the Company's website at: https://www.shardamotor.com/wp-content/uploads/2021/07/Revised-Risk-Management-Policy-Clean-Version.pdf

i) The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

xiii) **Disclosures with respect to demat suspense account/ unclaimed suspense account**

a) Suspense Escrow Demat Account (SEDA): - As per the Circular(s) issued by SEBI, after due verification of the investor service requests received from the Shareholders/ Claimants, LOCs were issued in lieu of physical share certificate(s) by the Companies/RTAs. The validity of such LOCs was 120 days from the date of issuance, within which the Shareholder/Claimant was required to make a request to the Depository Participant (DP) for dematerialising the shares covered by the LOC. In case the demat request was not submitted within the aforesaid timeline of 120 days, the Companies were required to transfer such shares to SEDA opened by the Companies for this purpose.

The above process was followed till March 31, 2026. Pursuant to SEBI Circular dated January 30, 2026, the above process has been simplified by dispensing with the requirement of issuance of LOCs with effect from April 02, 2026. Accordingly, after processing the investor service requests with necessary due diligence, RTAs/listed companies shall credit the securities directly to the investor's demat account. As on March 31, 2026, no shares were required to be transferred to the Suspense Escrow Demat Account, as all LOC's issued were timely presented to the DPs for credit of the shares.

b) Demat Suspense Account/Unclaimed Suspense Account - During the financial year under review, the company has made Bonus allotment on July 07, 2025. Pursuant to ICDR Regulations and Listing Regulations, the allotment of shares in bonus issue was made only in dematerialized form. Accordingly, in the case of members who hold equity shares in physical form, the bonus equity shares were transferred to "Sharda Motor Industries Limited - Bonus 2025 Unclaimed Suspense Account".

The details of the shares in the Dematerialization Suspense Account for FY 2025-26 are as follows:.

Particulars	No. of Members	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil	Nil
Number of shareholders whose shares are transferred to suspense account during the year along with number of shares	30	3,51,365
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	1	1,000
Number of shareholders to whom shares were transferred from suspense account during the year	1	1,000
Number of Members / records whose shares were transferred from suspense account to the demat account of Investor Education and Protection Fund under the provisions of Section 124(6) of the Act*	8	1,24,540
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	22	2,25,825

*Since, there underlying shares on which the bonus allotment was given were due for transfer to IEPF authority, the benefit via corporate action in terms of equity shares were also transferred.

xiv) There is no agreement existing as on March 31, 2026 that is required to be disclosed as per clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

Plant Locations:

S. N.	Plant Address
1	Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune – 410501, Maharashtra
2	PAP K-20,21&22, Village - Khalumbre, Chakan MIDC Phase II, Tal Khed, Pune 410501, Maharashtra
3	Gat No 19(P), 20(P), 22(P), Chakan MIDC Phase II, Village - Varale, Tal - Khed, Dist - Pune 410501, Maharashtra
4	Plot No.112, M.I.D.C., Satpur, Nashik- 422007, Maharashtra
5	Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik–422007, Maharashtra
6	P 12, 1st Avenue, Mahindra World City, Chengalpattu Taluk, Kanchipuram Dist., - 603 002, Tamil Nadu
7	G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. 602105, Tamil Nadu
8	Plot No. C/8 Tata Vendor Park, Sanand Viramgam Highway, Ahmedabad, 382170, Gujarat
9	20, Sector IV, Sidcul, Haridwar-249403, Uttarakhand

Address for correspondence:

Sharda Motor Industries Limited
Corporate office: D-188,
Okhla Industrial Area, Phase-I,
New Delhi-110020

DECLARATIONS

COMPLIANCE WITH CODE OF CONDUCT

In accordance to Regulation 34(3) read with part D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I, Aashim Relan, Chief Executive Officer of Sharda Motor Industries Limited, hereby declare that the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct of the Company during the financial year 2025-26.

For **Sharda Motor Industries Limited**

Aashim Relan
Chief Executive Officer

CEO/CFO Certification

CERTIFICATE FOR THE YEAR ENDED 31.03.2026

Pursuant to Regulation 17(8) read with part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, We, Aashim Relan, Chief Executive Officer and Ghan Shyam Dass, Chief Financial Officer of Sharda Motor Industries Limited do hereby certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the financial year 2025-26 and that to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) 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 we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

(d) We have indicated to the auditors and the Audit Committee:

i) that there are no significant changes in internal control over financial reporting during the financial year 2025-26;

ii) that there are no significant changes in accounting policies during the financial year 2025-26; and

iii) that there are no instances of significant fraud of which we have become aware.

For **Sharda Motor Industries Limited**

Date : May 21, 2026
Place : New Delhi

Ghan Shyam Dass
Chief Financial Officer

Aashim Relan
Chief Executive Officer

AUDITOR CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Sharda Motor Industries Limited

1. This certificate is issued in accordance in accordance with the terms of our engagement letter dated 17th July, 2026.

2. We, S.R. Dinodia & Co. LLP, Chartered Accountants, the Statutory Auditors of **SHARDA MOTOR INDUSTRIES LIMITED** ("**the Company**"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2026, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") as amended from time to time.

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations during the year ended 31st March 2026.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

RESTRICTION ON USE

10. This certificate is addressed and provided to the members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and it should not be

used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For S.R. Dinodia & Co., LLP
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN: 26083689YBBRTR5914

Place of Signature: New Delhi
Date: August 10, 2026

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Section A: General Disclosures

I. Details of the listed entity

S. No.	Question	Response
1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1986PLC023202
2.	Name of the Listed Entity	Sharda Motor Industries Limited
3.	Year of Incorporation	29/01/1986
4.	Registered Office Address	D-188, Okhla Industrial Area, Phase-I, New Delhi, Delhi-110020, India
5.	Corporate Address	D-188, Okhla Industrial Area, Phase-I, New Delhi, Delhi-110020, India
6.	E-mail	investorrelations@shardamotor.com
7.	Telephone	+91 11 47334100
8.	Website	https://www.shardamotor.com/
9.	Financial Year for which report is being done	April 01, 2025 - March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	1) BSE Limited 2) National Stock Exchange of India (NSE) Limited
11.	Paid-up Capital (INR.)	1148.15 lakhs
12.	Name and contact details *(telephone & email)* of the person who may be contacted in case of queries on the BRSR report	Ms. Iti Goyal Assistant Company Secretary and Compliance Officer Contact Details: +91 11 47334100 Mail Id: iti.goyal@shardamotor.com
13.	Reporting Boundary *(Standalone or Consolidated basis)*	The disclosures made under this report are on a "Standalone basis" for Sharda Motor Industries Ltd (SMIL).
14.	Name of assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

II. Products and Services:

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

S. No.	Description of Main Activity	Description of Business Activity	%Turnover of the entity
1	Manufacturing	Manufacturing motor vehicle parts such as exhaust system, suspension system and sheet metal components.	98.99%

17. Product/ Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/ Service	NIC Code	%of total turnover contributed
1	Manufacturing motor vehicle parts such as exhaust system, suspension system, Sheet metal components.	29301	98.99%

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	9	3	**12**
International	0	1	**1**

**commercial operations yet to commence at one plant*

19. Markets Served by the Entity:

a. Number of Locations:

Location	Number
National (No. of States)	12
International (No. of Countries)	2

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

The Company's contribution of exports as a percentage of the total turnover was 0.37% during FY 2025-26.

c. A Brief on types of customers?

SMIL leads in automotive innovation by delivering customized solutions using advanced machinery and equipment. The Company supplies high-quality automobile components to prominent automakers and engine manufacturers across India and internationally. Partnering with OEMs, Tier-1 suppliers, and industry leaders, SMIL provides innovative components that improve vehicle performance and efficiency. Our diverse product portfolio includes exhaust systems, suspension systems, roof systems, and supply chain management services. Committed to excellence, innovation, and customer satisfaction, SMIL continues to advance the automotive sector and maintain its reputation as a trusted industry partner.

IV. Employees:

20. Details as at the end of Financial Year 2025- 26:

a. Employees and Workers

Employees (*including differently abled*)

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	**Permanent Employees**	801	766	95.63%	35	4.37%
2.	**Other than Permanent Employees**	355	330	92.96%	25	7.04%
3.	**Total Employees (1+2)**	**1156**	**1096**	**94.81%**	**60**	**5.19%**

Workers (*including differently abled*)

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	**Permanent Workers**	292	290	99.32%	2	0.68%
5.	**Other than Permanent Workers**	3095	2921	94.38%	174	5.62%
6.	**Total Workers (4+5)**	**3387**	**3211**	**94.8%**	**176**	**5.2%**

b. Differently abled Employees and Workers

Differently Abled Employees						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	1	1	100%	-	-
2.	Other than Permanent Employees	-	-	-	-	-
3.	Total Employees (1+2)	**1**	**1**	**100%**	**-**	**-**

Differently Abled Workers						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	-	-	-	-	-
5.	Other than Permanent Workers	-	-	-	-	-
6.	Total Workers (4+5)	**-**	**-**	**-**	**-**	**-**

21. Participation/ Inclusion/ Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	6	1	16.67%
Key Management Personnel	5	1	20.00%

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	25.00%	28.33%	26.66%	22.49%	20.00%	21.49%	28.24%	33.00%	30.62%
Permanent Workers	0.36%	0	0.36%	-	-	-	0.91%	-	0.91%

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 company/ joint venture	Indicate whether holding/ subsidiary/ associate company/ joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/ No)
1.	Uddipt Mobility India Private Limited	Subsidiary	74.00	No
2.	Exhaust Technology Private Limited	Associate	50.00	No
3.	Relan Industrial Finance Limited	Associate	47.12	No

VI. CSR Details:

24.	**(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)**	Yes
	(ii) Turnover (in Rs.)	339,677.10 lakhs
	(iii) Net Worth (in Rs.)	132,597.38 lakhs

VII. Transparency and Disclosures Compliances:

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

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (*Provide web-link of policy*)	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Communities	Yes. The communities we engage with can write their concerns and grievances through the Dedicated Email id: shardacsrtrust@shardamotor.com	0	0	-	0	0	-
Shareholders	Yes. The Company evaluates the status of shareholder complaints and their resolution on a regular basis. The terms of the Stakeholders Relationship Committee include, among other things, considering and addressing the Company's shareholders' grievances, such as complaints about the transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate certificates, general meetings, and so on.Shareholders may write their concern to the compliance officer at iti.goyal@shardamotor.com or investorrelations@shardamotor.com	3	0	-	0	0	-
Investors	Yes. Investors and Shareholders may visit https:// www.shardamotor.com/ investor-relations/policies/ or contact the compliance officer at dedicated Email id: iti.goyal@shardamotor.com to file a complaint and redress their grievances.	0	0	-	0	0	-
Employees and Workers	Yes, employees and workers may raise their grievance through their respective unit HR and Corp HR team. Besides that, a Whistle blower policy is established to deal with the matters related to ethics alongside an ethics helpline accessible via email at wb@shardamotor.com. For detailed insight, the Whistle blower policy can be reviewed at https:// www.shardamotor.com/wp-content/ uploads/2026/05/2_Whistle-Blower-Policy.pdf Additionally, POSH policy is meticulously crafted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013.	3	1	-	1	2	-

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (*Provide web-link of policy*)	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Customers	Yes. At SMIL, we consider the inputs from all our B2B (Business-to Business) customers through a comprehensive complaint management system and active communication channels such as e-mails, in person meetings and telecommunication.	24	0	-	43	0	-
Value Chain Partners	Yes. Supply chain manual and our Code of Conduct are in place to resolve the complaints of value chain partners. The same can be accessed at https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf. The value chain partners can also contact their respective supply chain managers at the plant level to resolve their concern.	4	10	-	10	11	-

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

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 the opportunity (Negative/ Positive)
1	Energy and Emissions Management	Risk & Opportunity	Risk: Dependence on conventional energy sources, rising energy costs and increasingly stringent emissions regulations may increase operating expenses and compliance obligations. Opportunity: Improving energy efficiency and reducing greenhouse gas emissions lowers operating costs, enhances environmental performance and strengthens customer confidence.	The Company monitors energy consumption, adopts energy-efficient technologies, optimises manufacturing processes, explores renewable energy opportunities and tracks emissions to continuously improve environmental performance.	Negative: Rising energy costs and carbon-related regulations may adversely impact profitability. Positive: Energy efficiency initiatives reduce operating expenses, improve margins and support climate commitments.
2	Green Procurement	Opportunity	Increasing customer expectations, evolving sustainability regulations and growing emphasis on responsible sourcing present opportunities to integrate environmental considerations into procurement practices. Sustainable procurement strengthens supply chain resilience, improves resource efficiency, encourages suppliers to adopt responsible environmental practices and supports long-term value creation.	The Company engages suppliers on sustainability expectations, encourages responsible sourcing practices, incorporates environmental considerations into procurement processes where feasible and promotes continuous improvement across the supply chain.	Positive: Sustainable procurement enhances supply chain resilience, reduces environmental impacts, improves resource efficiency, strengthens stakeholder confidence and contributes to long-term cost optimisation.

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 the opportunity (Negative/ Positive)
3	Water Resilience	Risk & Opportunity	Risk: Water scarcity, climate variability and tightening regulatory requirements may affect manufacturing operations and increase operational costs. Opportunity: Efficient water management, recycling and conservation improve operational resilience, reduce dependency on freshwater resources and strengthen environmental stewardship.	The Company promotes water conservation through efficient water use, recycling and reuse initiatives, monitoring of water consumption and continuous improvement in water management practices.	Negative: Water shortages and regulatory restrictions may increase operating costs and disrupt production. Positive: Improved water efficiency reduces costs, enhances resource security and strengthens long-term operational resilience.
4	Waste and Hazardous Material Management	Risk & Opportunity	Risk: Improper handling, storage or disposal of hazardous and non-hazardous waste may result in environmental pollution, regulatory penalties and reputational damage. Opportunity: Waste reduction, recycling and circular economy initiatives improve resource efficiency, lower disposal costs and strengthen environmental performance.	The Company implements waste segregation, recycling, authorised disposal of hazardous waste, regulatory compliance and continuous monitoring to minimise environmental impacts and improve resource efficiency.	Negative: Non-compliance may result in fines, remediation costs and operational disruptions. Positive: Improved waste management reduces disposal costs, supports circularity and enhances sustainability performance.
5	Research & Development (R&D)	Risk & Opportunity	Risk: Rapid technological advancements, changing emission regulations and evolving customer requirements require continuous investment in research and product development, with uncertain commercial outcomes. Opportunity: Innovation enables the development of advanced automotive components, improves manufacturing efficiency and strengthens competitiveness in emerging mobility markets.	The Company continues to invest in product innovation, engineering capabilities, technology upgrades, process improvements and collaborative development initiatives to meet evolving market requirements and create differentiated products.	Negative: High R&D expenditure and unsuccessful innovation projects may impact profitability. Positive: Successful innovation drives revenue growth, operational efficiency and long-term competitive advantage.
6	Occupational Health and Safety	Risk & Opportunity	Risk: Manufacturing operations involving fabrication, welding, machining and assembly expose employees to occupational hazards that may lead to injuries, production disruptions and regulatory non-compliance. Opportunity: Strengthening workplace safety fosters a safety-first culture, improves employee morale, reduces absenteeism and enhances operational reliability, supporting long-term productivity and customer confidence.	The Company implements robust occupational health and safety management practices, including hazard identification, risk assessments, preventive maintenance, regular safety training, emergency preparedness, incident reporting and continuous monitoring to minimise workplace risks and promote a safe working environment.	Negative: Workplace incidents may lead to compensation costs, legal liabilities, operational downtime and increased insurance premiums. Positive: Improved safety performance enhances productivity, reduces operational losses and strengthens stakeholder confidence.

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 the opportunity (Negative/ Positive)
7	Ethics and Compliance	Risk & Opportunity	Risk: Non-compliance with applicable laws, regulations and ethical standards may result in legal action, financial penalties, business disruptions and reputational damage. Opportunity: Strong ethical conduct and compliance practices strengthen stakeholder trust, improve governance and support sustainable business growth.	The Company maintains a comprehensive compliance framework supported by its Code of Conduct, whistleblower mechanism, internal audits, periodic compliance reviews and employee awareness programmes to promote ethical business practices and regulatory compliance.	Negative: Regulatory violations may result in penalties, litigation costs and reputational loss. Positive: Strong compliance enhances customer trust, investor confidence and long-term business resilience.
8	Corporate Governance	Risk & Opportunity	Risk: Weak governance structures or ineffective oversight may result in poor decision-making, fraud, regulatory non-compliance and erosion of stakeholder confidence. Opportunity: Robust governance strengthens transparency, accountability and strategic decision-making, enabling sustainable value creation and long-term organisational resilience.	The Company has established a strong governance framework comprising Board oversight, independent committees, internal financial controls, enterprise risk management processes and regular performance reviews to ensure effective governance.	Negative: Governance failures may lead to financial losses, regulatory action and increased cost of capital. Positive: Strong governance enhances investor confidence, improves access to capital and supports sustainable business growth.
9	Protection of Human Rights	Risk & Opportunity	Risk: Human rights violations across operations or the supply chain may expose the Company to legal liabilities, operational disruptions and reputational risks. Opportunity: Upholding human rights strengthens employee engagement, supplier relationships, customer trust and supports responsible business conduct across the value chain.	The Company promotes respect for human rights through relevant policies, fair employment practices, grievance redressal mechanisms, employee awareness initiatives and supplier engagement to encourage responsible business conduct.	Negative: Human rights violations may result in legal proceedings, supply chain disruptions and reputational damage. Positive: Strong human rights practices enhance brand reputation, stakeholder confidence and access to responsible business opportunities.
10	Climate Risk Adaptation and Mitigation	Risk & Opportunity	Risk: Climate-related physical risks, including extreme weather events and water stress, together with transition risks arising from evolving regulations, carbon pricing and changing customer expectations, may impact operations and increase costs. Opportunity: Integrating climate resilience and decarbonization initiatives enhance operational efficiency, strengthens competitiveness and supports business continuity in a low-carbon economy.	The Company focuses on improving energy efficiency, increasing renewable energy adoption, reducing greenhouse gas emissions, strengthening climate resilience and integrating climate considerations into operational planning and risk management.	Negative: Climate-related disruptions and regulatory changes may increase operating and compliance costs. Positive: Improved resource efficiency, enhanced resilience and access to sustainable financing support long-term financial performance.

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 the opportunity (Negative/ Positive)
11	Labour Management	Risk & Opportunity	Risk: Labour shortages, industrial relations challenges, inadequate skill development and employee attrition may affect productivity, product quality and operational continuity. Opportunity: Effective workforce management, continuous learning and employee engagement enhance productivity, innovation and organisational resilience.	The Company promotes fair labour practices, capability building, performance management, employee engagement and continuous skill development to build a motivated and future-ready workforce.	Negative: High attrition and labour disputes may increase recruitment costs and disrupt operations. Positive: A skilled and engaged workforce improves productivity, operational efficiency and customer satisfaction.
12	Employee Well-being	Risk & Opportunity	Risk: Inadequate focus on employee well-being may result in reduced engagement, increased absenteeism, lower productivity and higher attrition. Opportunity: Promoting employee well-being supports a motivated workforce, improves retention, enhances productivity and strengthens organisational performance.	The Company supports employee well-being through health and wellness programmes, medical support, employee engagement initiatives, awareness programmes and a safe and inclusive work environment.	Negative: Poor employee well-being may increase healthcare costs, absenteeism and turnover. Positive: Enhanced employee engagement improves productivity, retention and overall business performance.
13	Data Privacy and Cybersecurity	Risk and Opportunity	Risk: Increasing digitalization of operations, handling sensitive OEM design and IP data, and processing of employee and partner personal data exposes the Company to data breaches, cyberattacks and system disruptions. Opportunity: A robust cybersecurity and data protection posture differentiates the Company with OEM customer, strengthens eligibility for new contracts, safeguards business continuity and builds stakeholder trust as data protection becomes a procurement and reputational differentiator.	The Company deploys layered controls- firewalls, endpoint protection, access management, encryption and periodic backups- supported by vulnerability assessments, employee awareness programmes and an incident response mechanism.	Negative: an incident could cause downtime, remediation costs, penalties and loss of customer confidence. Positive: a strong security posture builds OEM trust, supports continuity and aids new contract wins.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure / Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the policies, if available	https://www.shardamotor.com/investor-relations/policies/								
2. Whether the entity has translated the policy into procedures? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	ISO 45001: 2018	-	-	ISO 14001: 2015	-	-	IATF 16949:2016
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	At SMIL, we recognize the critical importance of setting clear, measurable sustainability targets to address the diverse environmental, social, and ethical challenges associated with our operations. Our sustainability strategy is focused on strengthening environmental stewardship, social responsibility, and corporate governance through well-defined and actionable objectives. We aim to minimize our environmental impact by adopting sustainable manufacturing and procurement practices and fostering meaningful partnerships with key stakeholders. Our priorities include advancing diversity, equity, and inclusion, ensuring employee health, safety, and well-being, and supporting local communities through targeted initiatives. We are equally committed to maintaining rigorous product quality and safety standards, protecting human rights, and promoting fair labor practices across our operations and supply chain. To further strengthen our governance framework, we are working toward a diverse and inclusive Board of Directors, greater transparency in financial reporting and disclosures, robust risk management and compliance systems, and a strong culture grounded in integrity and ethical conduct.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	The Business Responsibility and Sustainability Report (BRSR) for FY 2025–26 provides a comprehensive overview of our sustainability performance across key performance indicators, supported by both quantitative data and qualitative disclosures. While the report reflects the progress we have made to date, we recognize that sustainability is an ongoing journey that requires continuous improvement and stronger commitments. We remain focused on defining clear, measurable, and ambitious targets to further strengthen our sustainability performance. Through this ongoing process, we are refining our priorities and establishing specific goals that will guide our future actions. This report reaffirms our commitment to building a more sustainable, responsible, and accountable business model while creating long-term value for our stakeholders.								
Governance, leadership, and oversight									
7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements *(listed entity has flexibility regarding the placement of this disclosure)*	We are pleased to present our Business Responsibility and Sustainability Report, which highlights our unwavering commitment to environmental, social, and governance (ESG) principles. As ESG considerations continue to shape the global business environment, we recognize the importance of proactively addressing these priorities and integrating them into our decision-making processes. We firmly believe that embedding ESG principles within our core business strategy will create long-term value for stakeholders while contributing to a more sustainable, resilient, and inclusive future. Guided by a culture of continuous improvement, we remain committed to advancing our sustainability performance and setting ambitious goals that support responsible growth and lasting impact.								

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Shri Ajay Relan, Managing Director (DIN: 00257584) continuously monitors the development of ESG performance and has assigned powers to the Senior Management of the organization for implementation and oversight of the business responsibility policy and procedure.
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/ No). If "Yes", provide details	Yes. Ms. Iti Goyal, Assistant Company Secretary and Compliance Officer of the Company is appointed as BRSR head along with delegation of requisite powers of decision making as Sustainability head by the Board of Directors.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any Other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Company's performance against the above-mentioned policies is reviewed by the Board of Directors from time to time. Based on such reviews, necessary measures are undertaken to address and rectify any concerns identified.									Performance indicators are reviewed Periodically as and when required								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all applicable laws and regulations. The Audit Committee oversees the review of statutory compliance requirements and monitors the implementation of appropriate corrective measures for any instances of non-compliance identified.									Compliance to the statutory requirements is reviewed quarterly by Audit Committee								

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
The Company's facilities are certified by Intertek against ISO 45001:2018 (Occupational Health and Safety Management), ISO 14001:2015 (Environmental Management), and IATF 16949:2016 (Automotive Quality Management), with surveillance and recertification audits conducted at defined frequencies to evaluate continued conformance.								

12. If Answer to Question (1) Above is "NO", i.e., not all Principles are covered by a Policy, reasons to be stated:

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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 2025- 26:

Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	**Principle-1** • Financial and business highlights, including industry performance. • Periodical familiarization programmes as per Companies Act and Listing regulations. • Outlook of auto component sector. Compliance Management, DPDP Act, 2023	100%
Key Managerial Personnel	3	**Principle-1** • Vision Setting **Principle-2** • Design Thinking. **Principle-3** • Training and awareness on Leadership and People Management,	75%
Employees other than BoD and KMPs	88	**Principle-1** • Ownership & Accountability-R&D • Decoding Ownership, Accountability and Responsibility **Principle-2** • Skill Upgradation **Principle-3** • Skill Upgradation • Health and Safety **Principle-5** • POSH **Principle-9** • Customer Centricity Workshop	87%
Workers	15	**Principle-1** • Ownership & Accountability-R&D • Decoding Ownership, Accountability and Responsibility **Principle-2** • Skill Upgradation **Principle-3** • Health and Safety **Principle-5** • POSH **Principle-9** • Customer Centricity Workshop	91%

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 discussed on the entity's website)

Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
Penalty/ Fine	Nil				
Settlement					
Compounding Fee					
Non-Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
Imprisonment	Nil				
Punishment					

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable, as no monetary nor non-monetary case were filed against the Company.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide web-link to the policy.

Yes, the Company's Board approved Code of Conduct incorporates anti-bribery and anti-corruption provisions, supported by a standalone Whistle Blower Policy. Together these prohibit the offering, giving, soliciting or receiving of bribes, facilitation payments or improper advantages to influence business decisions, and set out expectations on gifts, hospitality and conflicts of interest. The Code applies to Directors, KMPs, and all employees, as well as independent contractors and consultants. A separate Code of Conduct for Stakeholders extends these requirements to suppliers, dealers and other business partners. Concerns may be reported through the whistle blower mechanism, which provides for confidentiality and protection against retaliation.

Web link:
Code of conduct: https://www.shardamotor.com/wp-content/uploads/2018/08/code-of-conduct-for-board-members.pdf
Whistle Blower Policy: https://www.shardamotor.com/wp-content/uploads/2026/05/2_Whistle-Blower-Policy.pdf
Code of Conduct-Stakeholders: https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Directors	0	0
Key Managerial Personnel (KMPs)	0	0
Employees	0	0
Workers	0	0

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

	Current Financial Year 2025- 26		Previous Financial Year 2024- 25	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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. During FY 2025-26, no fines, penalties or actions were imposed on the Company by any regulator, law enforcement agency or judicial institution, and no complaints relating to corruption or conflict of interest were received against the Directors or KMPs. Consequently, no corrective action was required during the reporting period.

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Number of days of accounts payables	108	93

9. Openness of Business:

Provide details of concentration 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	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Concentration of Purchases	a. Purchases from trading houses as % of the total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	0	0
	b. Number of dealers/ distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	0	0
Share of RPTs	a. Purchases (Purchases with related parties/ Total Purchases)	0	0
	b. Sales (Sales to related parties/ Total Sales)	0	0.0011%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0	0
	d. Investments (Investments in related parties/ Total Investments made)	4.18%	6.34%

Leadership Indicators

1. **Awareness programmes conducted for the value chain partners on any of the principles during the financial year 2025- 26:**

Total number of awareness programmes held	Topics/ Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
During the FY 2025-26, SMIL did not conduct formal, structured awareness programmes for its value chain partners on the NGRBC principles. The Company's ESG expectations are communicated through its Supplier Code of Conduct and periodic business reviews, which reinforce standards on ethical conduct, safety and environmental compliance. SMIL recognizes value chain capacity building as an area for development and intends to roll out structured supplier awareness sessions on the NGRBC principles.		

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, SMIL has a structured process to identify, disclose and manage actual or potential conflicts of interest involving Board members and senior management. The process is reinforced by SMIL's Code of Conduct for Directors and Senior management, which requires all covered people to proactively avoid situations where personal interests may conflict with those of the Company and to promptly disclose any actual or potential conflict to the Board for appropriate guidance and action.

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 environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25	Details of improvements in environmental and social impacts
R&D	87.76	88.87	Development of advanced emission control technologies, lightweighting of components, development of products for cleaner mobility applications, improvement in product durability and safety, thereby lowering the environmental footprint of the end product over its life cycle.
Capex	91.07	88.97	Investment in setting up and upgrading manufacturing capacity for emission control systems, lightweight components, and products aligned with cleaner mobility. Process improvements, automation and energy efficient equipment that reduce resource consumption and emission across operations.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No).**
   b. If "Yes", what percentage of inputs were sourced sustainability?
   a. Yes, Sustainability considerations are embedded in the Company's sourcing framework through its Sustainability Policy and Supplier Code of Conduct. All suppliers are required to acknowledge and comply with the Code of Conduct, applicable statutory and regulatory requirements as a pre-condition of onboarding.
   b. In FY 2025-26, 71.52% of input material by value was sourced from suppliers covered under the Company's sustainable sourcing criteria.

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
   d. Other waste

   SMIL's products are integrated into their customers' vehicles and cannot be individually separated or recovered. As a result, this question is not applicable to SMIL's products.

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 Board?**
   - **If "Not", provide steps taken to address the same.**

   Extended Producer Responsibility (EPR) regulations do not apply to SMIL's business operations.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/ Assessment (LCA) for any of its products (for manufacturing industries) 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 web-link
The Company has not undertaken Life Cycle Assessment (LCA) of its product or service during the reporting period.					

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.**

Name of Product/ Service	Description of the risk/ concern	Action Taken
SMIL did not undertake any Life Cycle Assessments (LCA) during the reporting period. Consequently, no significant environmental or social risks associated with the production or disposal of its products and services were identified during the reporting period.		

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

Indicate input material	Recycled or re-used input material to total material	
	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
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:**

	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-Waste	0	0	0	0	0	0
Hazardous Waste	0	0	0	0	0	0
Other Waste	0	0	0	0	0	0

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

Indicate Product Category	Reclaimed products and their packaging materials as % total products sold in respective category
Not applicable, as SMIL does not recover or reclaim products and packaging materials at the end of their life cycle.	

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

Essential Indicators

1. a. **Details of measures for the well-being of Employees:**

Category	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	766	766	100%	766	100%	0	0	766	100%	0	0
Female	35	35	100%	35	100%	35	100%	0	0	0	0
Total	**801**	**801**	**100%**	**801**	**100%**	**35**	**4.37%**	**766**	**95.63%**	**0**	**0**
Other than Permanent Employees											
Male	330	330	100%	330	100%	0	0	330	100%	0	0
Female	25	25	100%	25	100%	25	100%	0	0	0	0
Total	**355**	**355**	**100%**	**355**	**100%**	**25**	**7.04%**	**330**	**92.96%**	**0**	**0**

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

Category	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	290	290	100%	290	100%	0	0	290	100%	0	0
Female	2	2	100%	2	100%	2	100%	0	0	0	0
Total	**292**	**292**	**100%**	**292**	**100%**	**2**	**0.68%**	**290**	**99.32%**	**0**	**0**
Other than Permanent Workers											
Male	2921	2921	100%	2921	100%	0	0	2921	100%	0	0
Female	174	174	100%	174	100%	174	100%	0	0	0	0
Total	**3095**	**3095**	**100%**	**3095**	**100%**	**174**	**5.62%**	**2921**	**94.38%**	**0**	**0**

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Cost incurred on well-being measures as a % of total revenue of the company	0.30%	0.49%

2. Details of retirement benefits, for Current FY 2025- 26 and Previous FY 2024- 25

Benefits	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	4.78%	90%	Yes	12.65%	90.45%	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", then whether any steps are being taken by the entity in this regard.

Yes, the Company is committed to providing an accessible and inclusive workplace for employees, workers, and visitors with disabilities. Its premises are designed to comply with the requirements of the Rights of Persons with Disabilities Act 2016. The Company provides necessary support to people with disabilities, as required, and continues to foster an environment that promotes equal opportunity, accessibility, and inclusion for all.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, please provide the web-link of the policy.

SMIL has established a comprehensive HR Manual and Code of Conduct, which includes an "Equal Opportunity Policy" that reflects its commitment to fairness, equality, and non-discrimination. SMIL ensures that all employees are treated fairly and with respect, regardless of race, gender, religion, ethnicity, colour, age, disability, or any other personal characteristic, in accordance with the principles outlined in its Code of Conduct.

Employment and career opportunities are provided based on qualifications, experience, merit, and objective criteria, fostering an inclusive, diverse, and equitable workplace. The Equal Opportunity Policy is detailed on pages 8 and 9 of the Code of Conduct for Stakeholders and is available through the company's website. Weblink: https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave for FY 2025- 26.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

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

Permanent Workers	Yes, workers may raise grievances through their supervisor, the unit HR and the workers association. Shop floor concerns are also raised in periodic communication with the plant heads. The ethics helpline is accessible to all workers engaged at Company premises.
Other than Permanent Workers	

Permanent Employees	Yes, grievances may be raised with the reporting manager or the HR function at the respective location and are escalated to the Unit HR head and Corporate HR where not resolved at the first level. In addition, all employees have access to the Whistle Blower Policy.
Other than Permanent Employees	

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

Category	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)
Total Permanent Employees	**801**	**0**	**0**	**768**	**0**	**0**
- Male	766	0	0	738	0	0
- Female	35	0	0	30	0	0
Total Permanent Workers	**292**	**282**	**96.58%**	**293**	**281**	**95.90%**
- Male	290	281	96.23%	292	280	95.89%
- Female	2	1	50.00%	1	1	100.00%

8. (a) Details of training given to employees and workers on "Health and Safety Measures"

Category	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,096	1,082	98.73%	1,112	1,112	100%
Female	60	56	93.33%	66	66	100%
Total	**1,156**	**1,138**	**98.45%**	**1,178**	**1,178**	**100%**
Workers						
Male	3,211	3,187	99.25%	2,982	2,982	100%
Female	176	169	96.02%	87	87	100%
Total	**3,387**	**3,356**	**99.08%**	**3,069**	**3,069**	**100%**

(b) Details of training given to employees and workers on "Skill Upgradation"

Category	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,096	1,079	98.45%	1,112	1,112	100%
Female	60	54	90.00%	66	66	100%
Total	**1,156**	**1,133**	**98.02%**	**1,178**	**1,178**	**100%**
Workers						
Male	3,211	3,187	99.26%	2,982	2,982	100%
Female	176	169	96.03%	87	87	100%
Total	**3387**	**3,356**	**99.09%**	**3,069**	**3,069**	**100%**

9. Details of Performance and Career Development reviews of employees and workers:

Category	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	766	624	81.47%	738	562	76.15%
Female	35	21	60.00%	30	24	80.00%
Total	**801**	**645**	**80.53%**	**768**	**586**	**76.30%**
Workers						
Male	During FY 2025-26, we continued to prioritise the progress and well-being of our workforce through our comprehensive union agreement, which is subject to full review every three years. We also ensured that all policy updates and workplace improvements remained aligned with the latest government amendments to labour laws, reinforcing our commitment to regulatory compliance and the continuous development of our employees.					
Female						
Total						

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", then coverage of the system.	Yes, SMIL has implemented an occupational health and safety management system certified to ISO 45001:2018. The system covers all SMIL's facilities and applies to people working under the Company's control, including permanent employees, contractual workers. It is administered through a safety committee, supported by periodic risk assessments, evaluations, and inspections across covered facilities. The effectiveness of the system is monitored on an ongoing basis to ensure compliance with applicable legal requirements and to drive continual improvement.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?	SMIL identifies work related hazards and assesses associated risks through a structured Hazard Identification and Risk Assessment (HIRA) process applied across all facilities. On a routine basis, hazards are identified through scheduled HIRA reviews of all standard operations and processes, supported by periodic safety inspections and workplace observations conducted by designated safety officers. Each identified hazard is evaluated for severity and likelihood, prioritised, and assigned control measures in line with the hierarchy of controls. Risk assessments are reviewed and updated at defined intervals. On a non-routine basis, HIRA analysis is triggered prior to activities such as machinery breakdown and maintenance work, plant modifications or new installations, changes to processes or materials, contractor and third-party jobs, and emergency situations. Hazards arising from these activities are assessed before the work commences, and appropriate controls, work permits and safe operating procedures are put in place. The outcome of both routine and non-routine assessments feed into a periodic safety review process, through which control measures are monitored for effectiveness and improvement.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/ No)	Yes, SMIL has established defined procedures enabling workers to report work-related hazards, unsafe conditions, or safety incidents, and to remove themselves from situations they reasonably believe to present an imminent danger. Workers can report hazards through multiple channels, including direct communication with supervisors, plant and departmental heads, the safety committee, and periodic safety meetings and reviews. Reported concerns are acted upon through timely corrective measures aimed at eliminating or mitigating the identified risk. Workers are encouraged to raise safety concerns without fear of adverse consequence.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, SMIL provides its employees and workers access to non-occupational medical and healthcare services through multiple arrangements. On-site first-aid facilities are available across manufacturing locations, supported by periodic visits from a physician. Employees are covered under a group mediclaim policy, and workers are enrolled under the Employees' State Insurance Corporation (ESIC) scheme, providing access to medical and healthcare benefits. In addition, SMIL conducts wellness initiatives including periodic health check-ups, screenings and preventive care. The company has arrangements with local healthcare providers for general consultations, preventive care, vaccinations, and treatment of common illnesses, with referral to specialists or hospitals for advanced care where required.

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

Safety Incidents/ Number	Category	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	**Employees**	0.10	0
	Workers	0.41	0.82
Total recordable work-related injuries	**Employees**	1	0
	Workers	4	0
Number of fatalities	**Employees**	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	**Employees**	0	0
	Workers	0	0

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

SMIL maintains a safe and healthy workplace through its ISO 45001:2018- certified occupational health and safety management system, supported by the following measures:

Engineering controls, including exhaust and fume extraction systems at welding and similar operations to control airborne contaminants, along with ventilation providing adequate fresh air at work areas. Machine guarding and safe operating procedures are maintained across production lines.

HIRA is carried out for routine and non-routine activities, with controls applied in line with the hierarchy of controls. PPE is provided to employees and workers as appropriate to their tasks, with training on correct use.

Safety training and awareness covering safety protocols, hazard recognition, safe equipment use and emergency response are conducted periodically, reinforced through safety drills and awareness campaigns.

Emergency preparedness, including documented emergency and evacuation procedures, mock drills, first-aid facilities, and fire-safety systems across facilities.

Monitoring and review through daily workplace inspections by safety officers, functioning of the safety committee and periodic review of safety performance to drive corrective action and improvement.

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

	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Filed	Pending Resolution at end of year	Remark	Filed	Pending Resolution at end of year	Remark
Working Conditions	0	0	-	0	0	-
Health and Safety	0	0	-	0	0	-

14. Assessment for the Year (2025- 26):

	% of plants and offices that were assessed (*by entity or statutory authorities or third party*)
Health and Safety Practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risk/ concerns arising from assessment of health and safety practices and working conditions.

Not applicable.

Leadership Indicators

1. Does the entity extend any life insurance or compensatory package in the event of death of (A). Employees; and (B). Workers (Yes/No). Provide detail.

Yes, for both employees and workers.

a) Employees are covered under a Group Personal Accident policy providing compensation to the employee or their nominated beneficiaries in the event of death of specified injury. Employees who have completed the qualifying service period are also entitled to gratuity, funded through an LIC group gratuity policy, payable to nominee in the event of death in service.

b) Workers are covered under the Employees' State Insurance Scheme and the Employees' Deposit Linked Insurance scheme, which provide benefits to nominees in the event of death, in accordance with the respective statutory provisions.

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

SMIL's supplier code of conduct, forming part of the supplier manual, requires value chain partners to comply with applicable laws, including deduction and deposit of statutory dues. Compliance is addressed through supplier assessments, and where applicable, review of statutory compliance documentation such as proof of remittance for Provident Fund and Employees' State Insurance contributions.

3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Qs. 11 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 Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	FY 2025- 26	FY 2024- 25	FY 2025- 26	FY 2024- 25
Employees	0	0	0	0
Workers	0	0	0	0

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)

At SMIL, we value the expertise of retired employees and engage them as consultants to provide specialized guidance on key projects and business challenges. We also support the career development of our current employees by encouraging regular discussions with managers and HR on career progression, internal opportunities, and succession planning.

5. **Details on assessment of value chain partners (FY 2025- 26):**

	% of value chain partners (by value of business done with such partners) **that were assessed**
Health and Safety Practices	80.24%
Working Conditions	80.24%

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.**

Not applicable.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS.

Essential Indicators

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

SMIL identifies its key stakeholder groups through a stakeholder mapping process that considers both internal and external parties who affect, or are affected by, the Company's operations. Stakeholders are identified across the value chain and assessed on the basis of their level of influence on the business and the extent to which they are impacted by the Company's activities.

Through this process, SMIL has identified its key stakeholder groups as employees and workers, investors and shareholders, customers, suppliers and value chain partners, local communities, and government and regulatory authorities. The prioritisation of stakeholders informs the mode and frequency of engagement with each group, enabling the Company to address relevant sustainability concerns and maintain ongoing dialogue.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Investors and Shareholders	No	In person meetings, Website, Annual reports, Press release, Investor Relations team, Annual general meetings, Investor newsletters, Email, tele-communication, and Conferences	Annually once in Annual General Meeting, Quarterly Investor call (Analyst meet/ Earning call) and on need basis.	Discussing financial performance, new products and initiatives, earnings reporting, any other concerns.
Employees and Workers	No	E-mail, Internal portal and Newsletters.	Daily, weekly	Employee safety, professional and career development, well-being, training, and awareness.
Customers	No	Website, Email and Tele communication, Feedback surveys	Need based.	Long term product improvements, concerns and feedback.
Communities	Yes	Community events and meetings and CSR programs	Need based.	Various CSR interventions.
Government and Regulators	No	Official letters or correspondence, Email, In-person meetings, Website, Trade and industry associations	Need based.	Compliance Checks and other regulatory requirements.
Value chain partner	No	Email and Tele communication, in person meetings, visits and review sessions.	Need based.	Facilitating alignment on quality, cost, delivery, and complain requirements. Supporting continuous improvement, innovation, and long term value creation in the supply chain.

Leadership Indicators

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

   Stakeholder consultations are conducted to build relationships founded on trust, collaboration, and mutual value while informing our strategic priorities. Dedicated functional teams lead these engagements with identified stakeholder groups. The Board of Directors oversees the implementation of actions arising from stakeholder feedback, ensuring that key insights are integrated into decision-making and continuous improvement initiatives.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topic? (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.**

   At SMIL, stakeholder interests are integral to identifying and prioritizing material issues that are significant to our business. Through regular stakeholder engagement and open communication, we gather valuable insights that are shared with the Board and incorporated into strategic decision-making. Consultations on social, environmental, and governance matters help us identify emerging risks and opportunities, strengthen stakeholder trust, support informed decisions, and enhance our long-term sustainability performance.

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

   At SMIL, we engage with marginalized and vulnerable communities through the Sharda CSR Foundation Trust. The Trust supports initiatives in healthcare, education, environmental conservation, and rural development, including public health services, medical camps, blood donation drives, support for government schools, tree plantation programmes, pollution awareness campaigns, and the distribution of essential supplies. These initiatives aim to improve the quality of life and promote inclusive, sustainable community development.

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	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Permanent	801	791	98.75%	768	768	100%
Other than permanent	355	343	96.62%	410	410	100%
Total Employees	**1,156**	**1,134**	**98.1%**	**1,178**	**1,178**	**100%**
Workers						
Permanent	292	285	97.61%	293	293	100%
Other than permanent	3,095	3,081	99.55%	2,776	2,776	100%
Total Workers	**3,387**	**3,366**	**99.38%**	**3,069**	**3,069**	**100%**

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

Category	Current Financial Year 2025- 26					Previous Financial Year 2024- 25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	**801**	-	-	**801**	**100%**	**768**	**-**	**-**	**768**	**100%**
- Male	766	-	-	766	100%	738	-	-	738	100%
- Female	35	-	-	35	100%	30	-	-	30	100%
Other than Permanent	**355**	-	-	**355**	**100%**	**410**	-	-	**410**	**100%**
- Male	330	-	-	330	100%	374	-	-	374	100%
- Female	25	-	-	25	100%	36	-	-	36	100%
Workers										
Permanent	**292**	-	-	**292**	**100%**	**293**	-	-	**293**	**100%**
- Male	290	-	-	290	100%	292	-	-	292	100%
- Female	2	-	-	2	100%	1	-	-	1	100%
Other than Permanent	**3,095**	-	-	**3,095**	**100%**	**2,776**	-	-	**2,776**	**100%**
- Male	2,921	-	-	2,921	100%	2,690	-	-	2,690	100%
- Female	174	-	-	174	100%	86	-	-	86	100%

3. Details of remuneration/ salary/ wages, in the following format for FY 2025- 26:

a. Median remuneration/ wages:

	Male		Female	
	Number	Median salary/ wage of respective category (in INR)	Number	Median salary/ wage of respective category (in INR)
Board of Directors (BoD)	5	22,746,454	1	0
Key Managerial Personnel	4	12,782,498	1	904,952
Employees other than BoD and KMP (Permanent)	766	771,600	35	799,992
Workers (Permanent)	290	757,296	2	686,244

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Gross wages paid to females as % of total wages (permanent employees and worker)	5.27%	3.58%

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 Company has established an appropriate governance mechanism for addressing human rights impacts and concerns arising from its business activities. Human rights-related matters are overseen by the Human Resources Department and the senior management team, with escalation to the relevant management committee/Board-level committee, wherever required. Employees and other stakeholders may report concerns through the Company's grievance redressal mechanisms, and all reported matters are reviewed and addressed in accordance with the Company's policies, applicable laws, and principles of fairness, non-discrimination, and respect for human rights.

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

SMIL is committed to preventing human rights violations through its Human Rights Policy, with compliance ensured via a structured grievance redressal mechanism monitored by the HR department at

all plant locations. Employees and workers have 24/7 anonymous access to raise concerns and have them addressed in a timely manner. The company's Whistleblower Policy defines the procedures for reporting misconduct or unethical behaviour, while the ethics helpline provides a confidential and secure channel to report ethics or whistleblower concerns and seek guidance as appropriate. Detailed information on the investigation process is available on the whistleblower policy.

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

	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

At SMIL, we are committed to protecting the dignity and rights of our employees by maintaining a workplace free from discrimination and harassment, with equal opportunities for all. Complaints are handled through the Internal Complaints Committee which is accessible to all employees and follows confidential intake, redressal, and inquiry processes. To safeguard complainants, the Company maintains strict confidentiality of the identity and case details, prohibits any form of retaliation or victimization against those who raise concerns or participate in inquiries and treats such retaliation as a disciplinary matter.

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

At SMIL, we are committed to upholding and promoting human rights across our operations and value chain. Our comprehensive Human Rights Policy applies throughout the organization, including joint ventures, suppliers, and contractors, and has been developed through extensive consultation with relevant stakeholders to ensure alignment with recognized human rights principles and best practices.

9. **Assessment for FY 2025- 26:**

	% of 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%

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

No risks or concerns were identified as a result of the assessments conducted at our plants and offices.

Leadership Indicators

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

The Company did not receive any human rights–related complaints during the reporting period. We comply with all applicable human rights laws and regulations, including those relating to the prohibition of child labor, prevention of discrimination, and promotion of equal opportunity and women's empowerment. We also promote awareness of human rights across our value chain by engaging with suppliers and business partners and reinforcing our zero-tolerance approach to any form of abuse. In addition, our Whistleblower Policy provides employees and other stakeholders with a confidential mechanism to report suspected human rights violations.

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

Human Rights due diligence was not carried out in the reporting year, we continue to uphold all applicable human rights regulations and are dedicated to safeguard the rights of all our stakeholders.

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?**

The Company is committed to providing an accessible, inclusive, and equitable workplace for employees, workers, and visitors with disabilities. Our facilities are designed in compliance with the Rights of Persons with Disabilities Act, 2016, and we provide appropriate support and assistance wherever required. We continuously enhance our accessibility measures to foster an environment that promotes equal opportunity, dignity, and inclusion for all.

4. **Details on assessment of Value Chain Partners:**

	% of value chain partners (by value of business done with such partners) **that were assessed:**
Child Labour	80.24%
Forced/ Involuntary Labour	80.24%
Sexual harassment	80.24%
Discrimination at workplace	80.24%
Wages	80.24%

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

No corrective actions were required, as no significant risks nor observations were found during the assessment.

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	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
From 'Renewable Sources' (in Gigajoules)		
Total Electricity Consumption (A)	21,743.08	18,386.40
Total Fuel Consumption (B)	-	-
Energy consumption through Other Sources (C)	-	-
Total Energy Consumption from renewable sources (A+B+C)	**21,743.08**	**18,386.40**
From 'Non-Renewable Sources' (in Gigajoules)		
Total Electricity Consumption (D)	29,125.12	30,786.60
Total Fuel Consumption (E)	5,490.65	966.20
Energy consumption through Other Sources (F)	-	-
Total Energy Consumption from non-renewable sources (D+E+F)	**34,615.77**	**31,752.80**
Total Energy Consumption (Renewable + Non-Renewable)	**56,358.85**	**50,139.20**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.0000017	0.0000018
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (Total energy consumed/ Revenue from operations adjusted for PPP)	0.000034	0.000037
Energy intensity in terms of physical output	**0.00056**	**0.00059**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: NO

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Yes/No)

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.

SMIL's manufacturing plants are not classified as Designated Consumers (DCs) under the Government of India's Performance, Achieve, and Trade (PAT) Scheme; therefore, not applicable.

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

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Water withdrawal by source (in Kiloliters- Kl)		
(i) Surface Water	-	-
(ii) Groundwater	5,166.00	-
(iii) Third Party Water	67,208.83	56,305.00
(iv) Seawater/ Desalinated water		-
(v) Others	-	-

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Total Volume of water withdrawal (in KL) ***(i + ii + iii + iv + v)***	72,374.83	56,305.00
Total volume of water consumption (in KL) #	62,643.63	46,970.00
Water intensity per rupee of turnover *(water consumed/ turnover)*	0.0000018	0.0000017
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total water consumption/ Revenue from operations adjusted for PPP)*	0.000038	0.00004
Water intensity in terms of physical output	0.00062	0.00056

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: No

4. Provide the following details related to water discharge:

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Water discharge by destination and level of treatment (in Kiloliters)		
(i) To Surface Water		
- No treatment		
- With treatment- please specify level of treatment	2,724.20	-
(ii) To Ground Water		
- 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 #	9,050.36	-
- With treatment- please specify level of treatment		
(v) Others		
- No treatment		
- With treatment- please specify level of treatment		9335.00
Total water discharged (in kilo-liters)	11,774.56	9335.00

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: No

Wastewater discharge from the Corporate Office for FY 2025-26 has been calculated in accordance with the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core. Untreated water from few location has been sent to common STP.

5. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If "Yes", provide details of its coverage and implementation.

SMIL continues to strengthen wastewater management practices across its operational sites, with a focus on implementing Zero Liquid Discharge (ZLD) aligned approaches. At several locations, systems are in place to ensure that treated effluent is effectively managed and reused within the premises, eliminating the need for external discharge. Most of the plants are equipped with a Sewage Treatment Plant (STP), and the treated water is reused within the plant premises for non-potable applications, including washroom and landscape irrigation, with no external discharge. These practices promote efficient water utilization and support a more circular approach to water management.

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

Parameter	Please specify unit	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
NOx	Tonnes/year	0.14	0.08
SOx	Tonnes/year	0.02	0.08
Particulate Matter (PM)	Tonnes/year	0.45	0.24
Persistent organic pollutant (POP)	Not applicable		
Volatile organic compounds (VOC)			
Hazardous air pollutant (HAP)			

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: Yes, the evaluation for Chakan plant is done by Eurofine Enviro Lab Pvt. Ltd., MWC plant by EHS 360 Labs Private Limited, Nashik plant by Ashwamedh engineers and consultants, Sanand plant by Metro Enviro Chem Associates, Sipcot plant by Enviro Care India Pvt. Ltd.

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

Parameter	Please specify unit	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Total Scope 1 Emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	457.53 *	309.58
Total Scope 2 Emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	5,749.17	6,213.73
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 / rupee of turnover	0.00000018	0.00000023
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 & 2 emissions/ Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 / turnover adjusted for PPP	0.0000040	0.0000048
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 / no. of units produced	0.00006	0.00007

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: Yes, Our SIPCOT plant has undergone third-party GHG verification by TÜV SÜD South Asia Pvt. Ltd. The verification covers Scope 1 and Scope 2 emissions completely and Scope 3 emissions (downstream transportation).

8. **Does the entity have any project related to reducing Greenhouse gas emissions? If "Yes", then provide details.**

The Company have undertaken a multitude of initiatives to mitigate its greenhouse gas (GHG) emissions such as :

- **Renewable Energy Adoption:** The Company is progressively transitioning towards renewable energy sources to reduce its environmental footprint and GHG emissions. Solar energy is sourced through both on-site solar generation and power purchase agreements (PPAs). The manufacturing units at SIPCOT and MWC utilise renewable energy through a combination of solar and wind power. The overall share of renewable energy in total energy consumption has increased compared to the previous year.
- **Energy Efficiency Measures:** The Company continues to implement energy conservation initiatives across its facilities. The company implemented multiple energy conservation initiatives, including power factor optimization, harmonic panels, VFDs, LED lighting, energy-efficient equipment, and automated timers/sensors to reduce electricity consumption. Additional measures such as compressed air leakage reduction, efficient compressor usage, automation through robotic cells, and elimination of idle machine operation further improved overall energy efficiency across plants.
- **Pollution Prevention and Control:** The Company has implemented appropriate pollution prevention and control measures across its manufacturing facilities to minimize the release of pollutants into the air, water, and land and reduce its overall environmental impact.

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

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Total Waste Generated (in Metric Tonnes)		
Plastic Waste (A)	4.99	0.26
E-Waste (B)	-	0.20
Bio-medical Waste (C)	-	-
Construction and Demolition Waste (C&D) (D)	-	-
Battery Waste (E)	-	-
Radioactive Waste (F)	-	-
Other Hazardous Waste generated (G) (Please specify, if any)	2.48	4.59
Other Non-Hazardous Waste generated (H)* (Please specify, if any)	4354.32	998.47
Total Waste Generated *(A+B+C+D+E+F+G+H)*	**4361.79**	**1003.52**
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations)	0.00000013	0.00000004
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP)	0.0000026	0.0000007
Waste intensity in terms of physical output	0.00004	0.00001

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)*		
Category Waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	4360.89	972.96
Total	**4360.89**	**972.96**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	0.89	30.56
Total	**0.89**	**30.56**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: No

* Additional categories of non-hazardous waste were identified, and one additional manufacturing location was included in FY 2025–26. The waste disposal methods have been recategorised for FY 2024–25.

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 waste.

The Company's waste management strategy is guided by the principles of reduction, reuse, and recycle by focusing on minimizing waste generation through process optimization and efficient resource utilization Promoting responsible manufacturing practices across operations Encouraging proper segregation of waste at source; Ensuring the safe handling, treatment, and disposal of waste through authorized and approved agencies, in compliance with applicable laws and regulations; Sending scrap and waste materials to authorized recycling and recovery facilities, wherever feasible.

The Company follows established procedures for the handling, storage, transportation, and disposal of hazardous waste and promotes the responsible use of chemicals across its operations. Regular awareness and training programs are conducted to strengthen employees' understanding of safe waste management practices and regulatory compliance.

In addition, the Company encourages its suppliers and business partners to adopt sustainable procurement and waste management practices, including reducing packaging materials, enhancing recyclability, and minimizing waste generation. These initiatives support the Company's broader commitment to resource efficiency, environmental stewardship, and the principles of a circular economy.

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 in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Yes/No) If "No", the reasons thereof and corrective action taken, if any.
SMIL's manufacturing facilities are not located within or in close proximity to ecologically sensitive areas.			

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year 2025- 26:**

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web-link
No, Environmental Impact Assessments (EIAs) were not conducted during the financial year 2025-26, as none of the projects were within categories requiring EIAs as per the applicable environmental regulations of Government of India.					

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 (Yes/ No). If "Not", provide details of all such non-compliances, in the following format:**

S. No.	Specify the law/ regulation/ guidelines which is not compliant	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken if any
SMIL was compliant with all applicable environmental laws, regulations, and guidelines of Government of India during the reporting period 2025-26.				

Leadership Indicators

1. **Water withdrawal, consumption, and discharge in areas of 'Water Stress' (in kilo liters):**

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

   i. **Name of area*:** Sanand, SIPCOT and Head Office Delhi#

   ii. **Nature of operations:** Sanand and SIPCOT are manufacturing plants, while the Delhi office serves as the Corporate and administrative office.

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

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024-25
Water withdrawal by source (in kilo litres)		
(i) Surface Water		
(ii) Ground Water		
(iii) Third Party Water	22,889.00	-
(iv) Seawater/ Desalinated Water		
(v) Others	336.08	-
Total volume of water withdrawal (in kilolitres)	**23,225.08**	**-**
Total volume of water consumption (in kilolitres)	**14,174.72**	**-**
Water intensity per rupee of turnover *(Total Water Consumed/ Total Turnover in Rupees)*	0.000000417	-

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024-25
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total water consumption / Revenue from operations adjusted for PPP)*	0.000008488	-
Water intensity in terms of physical output *(Total water consumption kl/ Permanent Employees)*	0.000140711	-
Water discharge by destination and level of treatment (in Kilo litres)		
(i) To Surface Water		
To Surface Water - no treatment		
To Surface Water - with treatment		
(ii) To Ground Water		
To Ground Water - no treatment		
To Ground Water - with treatment		
(iii) To Seawater		
To Sea Water - no treatment		
To Sea Water - with treatment		
(iv) Sent to Third Parties		
Sent to Third parties - no treatment	9,050.36	-
Sent to Third parties - with treatment		
(v) Others		
Others - no treatment		
Others - with treatment		
Total water discharged (in kilolitres)	**9,050.36**	**-**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency. – No

* The classification of areas as water-stressed has been carried out based on the guidelines issued by the Central Groundwater Board.

Wastewater discharge from the Corporate Office for FY 2025-26 has been calculated in accordance with the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core. Untreated water from few location has been sent to common STP.

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

Parameter	Please specify unit	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Total Scope 3 Emissions* (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	166,540.37	-
Total Scope 3 emissions per rupee of turnover		0.0000049	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: Yes, Out SIPCOT plant has undergone third-party GHG verification by TUV SUD South Asia Pvt. Ltd. The verification covers Scope 1 and Scope 2 emissions completely and Scope 3 emissions (downstream transportation).

* Scope 3 GHG emissions have been quantified for the first time in FY 2025-26. Accordingly, figures for the previous financial year (FY 2024-25) are not reported, as scope 3 emissions were not assessed for that period.

3. **With respect to the ecologically sensitive areas reported in Qs. 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**

   Not applicable, since none of SMIL's manufacturing facilities nor plants/ offices fall under ecologically sensitive areas.

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:**

Initiative undertaken	Details of the initiative	Outcome of the initiative
Energy conservation	Adoption of energy-efficient technologies and automatic power-off systems for machines.	Improved energy efficiency and reduced energy consumption.
Renewable energy adoption	Increased use of solar and wind energy across operations.	Increased renewable energy share and reduced environmental impact.
Water conservation	Water treatment, recycling and reuse systems implemented across operations.	Reduced freshwater dependency and improved water-use efficiency.
Waste management	Process optimisation, waste segregation and disposal with authorized agencies	On-site waste segregation and proper disposal through authorized vendors

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

   SMIL has established a robust Risk Management Policy to identify, assess, and mitigate risks that may affect business operations and continuity. The Risk Management Committee (RMC) oversees the implementation of mitigation measures, monitors emerging and existing risks, and regularly reviews the effectiveness of the Company's risk management framework. The Policy defines clear processes, controls, and governance mechanisms to support proactive risk management and ensure resilient and uninterrupted business operations.

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.**

   The company did not undertake independent assessment for any adverse impact on the environment arising from the value chain entity. However, as per terms of business agreement, all the of value chain partners are expected to abide by the environmental norms.

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

   Nil.

8. **How many "Green Credits" have been generated or procured:**

   a. **By the listed entity:** NA

   b. **By the top ten (in terms of the value of purchases and sales, respectively) value chain partners.**

      a) **By the listed entity:** Nil.

      b) **By the top ten value chain partner:** Not Assessed.

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.

2

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

S. No.	Name the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Automotive Component Manufacturers Association of India	National
2.	PHD Chamber of Commerce and Industry	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.

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board	Web Link, if available
Not applicable					

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

Essential Indicators

1. Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current financial year 2023- 24:

Name and brief detail of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No)	Relevant web-link
Not applicable					

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

S. No.	Name of the project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	%of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR.)
SMIL is not involved in any land acquisition or infrastructure development projects, therefore, information regarding the above indicator is not applicable.						

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

The company has established mechanisms to enable community members in the vicinity of its plants to raise concerns and grievances. Community members may raise concerns through (i) a dedicated email channel at investorrelations@shardamotor.com, additionally, the community members may write their grievance at shardacsrtrust@shardamotor.com. (ii) Direct interaction with plant-level personnel, including Plant Head.

Grievances received are recorded and reviewed by the concerned Plant head. Matters requiring broader intervention are escalated to the CSR Committee of the Board, which oversees community related initiatives and their outcomes.

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

Particular	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Directly sourced from MSMEs/ Small producers	15.05%	12.50%
Directly from within India	70.93%	67.03%

5. **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 the total wage cost:**

Location	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Rural	49.93%	32.35%
Semi-Urban	8.56%	8.52%
Urban	36.42%	53.83%
Metropolitan	5.07%	5.28%

Note: Places are categorized as per RBI Classification System- rural/ semi-urban/ urban/ metropolitan.

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not applicable.	

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

S. No.	State	Aspirational District	Amount Spent (in INR)
Not applicable.			

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

No, SMIL does not currently have a preferential procurement policy. However, the Company actively encourages the participation and development of Micro, Small and Medium Enterprises (MSMEs) and local suppliers through targeted support, capability building, and inclusion in its sourcing processes. The Company's sourcing strategy is guided by the principles of value creation, supported by a governance framework that ensures all procurement activities are fair, equitable, and aligned with global best practices.

(b) From which marginalized/ vulnerable groups do you procure?

While no formal preference is extended, SMIL's supplier base includes MSMEs and small producers, from whom the company procures in the ordinary course of business.

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

In FY 2025-26, procurement from MSME suppliers accounted for approximately 15.06 % of total procurement by value, amounting to INR 1871 lakhs.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year 2025- 26), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit Shared (Yes/ No)	Basis of calculating benefit share
Not Applicable, as the company does not own or acquire any intellectual property based on traditional knowledge. The Company's intellectual property portfolio pertains to proprietary engineering, design, and manufacturing technologies developed in the ordinary course of business.				

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.**

Name of authority	Brief of Case	Corrective action taken
Not applicable. During the FY 2025-26, no disputes, claims, or adverse orders were received by the Company in relation to intellectual property involving the usage of traditional knowledge.		

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

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalized groups
1	Sharda Health- CSR Medical Clinic, Nashik	8478	100%
2	Sharda Health- Ambulance Services	180	100%
3	Sharda Health- Woolen distribution for underprivilege Children	474	100%
4	Sharda Education- Computer Lab establishment	250	100%

PRINCIPLE 9: BUSINESS 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 .

SMIL operates in a B2B environment, and its consumers primarily comprise OEM customers. Complaints and feedback are received through dedicated customer account managers, email, and periodic face-to-face business review meetings. All complaints are logged and addressed through a defined complaint management process aligned with the Company's IATF 16949- certified quality management system.

Customer satisfaction is monitored on an ongoing basis through direct engagement. Insights drawn from complaints and feedback are periodically reviewed by senior management and integrated into product quality and process improvement initiatives. This approach enables the Company to deliver solutions that not only resolve current concerns but also prevent similar issues arising, thereby strengthening customer relationships and driving continuous improvement in overall customer experience.

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

Parameters	As percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable, as the Company manufactures intermediate products based on the specific requirements and specifications provided by its customers, primarily Original Equipment Manufacturers (OEMs).
Safe and responsible usage	
Recycling and/or safe disposal	

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

	Current Financial Year 2025- 26		Remarks	Previous Financial Year 2024- 25		Remarks
	Received	Pending at end of year		Received	Pending at end of year	
Data Privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

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

	Number	Reasons for recall
Voluntary Recalls	0	-
Forced Recalls	0	-

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 implemented a comprehensive Information Technology (IT) and Cyber Security Policy that establishes a robust framework for identifying, managing, and mitigating cybersecurity and

data privacy risks. The policy is aligned with applicable legal and regulatory requirements, as well as industry's best practices, and incorporates both preventive and corrective controls to safeguard the Company's information assets against internal and external cyber threats.

The policy is available at the following link: https://www.shardamotor.com/wp-content/uploads/2023/07/IT-and-Cyber-Security-Policy.pdf

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

   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 possible)**

   The detail and information about our products and services is available on the Company's official webpage at https://www.shardamotor.com/products-services/.

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

   SMIL's operations are focused on a Business-to Business (B2B) model, there is no direct interaction with the end consumers. Therefore, this aspect is not applicable.

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

   The Company communicates any potential risks or threat related to service disruptions or discontinuations through email notifications as and when deemed necessary. In addition, weekly review calls are scheduled with customers.

4. **a. Does the entity display product information on the product over and above what is mandated as per the local laws? (Yes/ No/ Not Applicable). If "Yes", provide details in brief.**

   b. Did your entity carry out any survey about customer 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).

   (a) This is not applicable, as our products are designed for B2B applications and are not sold directly to end consumers.

   (b) Yes. At present, customer satisfaction feedback is primarily collected through email communications with our key OEM customers. This feedback helps us assess service delivery, pricing, competitiveness, product quality, overall customer satisfaction, and identify opportunities for service improvement, where applicable.

Annexure VII

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
Sharda Motor Industries Limited
D-188, Okhla Industrial Area Phase-I, Delhi, India, 110020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sharda Motor Industries Limited** having **CIN: L74899DL1986PLC023202** and having registered office at **D-188, Okhla Industrial Area Phase-I, Delhi, India, 110020** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 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 Director	Designation	DIN	Date of appointment in Company
1.	Mr. Kishan Nagin Parikh	Director	00453209	16/12/2005
2.	Ms. Sarita Dhuper	Director	08776286	29/06/2020
3.	Mr. Navin Paul	Director	00424944	02/08/2024
4.	Mr. Udayan Banerjee	Director	00339754	13/02/2019
5.	Mr. Ajay Relan	Managing Director	00257584	29/01/1986
6.	Mr. Nitin Vishnoi	Whole-time director	08538925	03/09/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For **Jaya Yadav & Associates**
Company Secretaries
FRN: I2013HR1041100

Jaya Yadav
Practicing Company Secretary
Mem. No.: F10882
C.O.P. No.:12070
UDIN: F010822H000965952

Place: Gurugram
Date: July 29, 2026

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Introduction

FY26 was characterised by resilient domestic automotive demand alongside continued geopolitical, trade and supply-chain uncertainty globally. The operating environment was influenced by crude oil price volatility, currency movements, intermittent supply-chain disruptions and workforce availability constraints. Despite these challenges, the automotive industry remained resilient, and SMIL did not experience any material disruption in customer production schedules during the year.

SMIL remained resilient through FY26, supported by its predominantly India-centric manufacturing footprint and backward integration across tubes, stampings, fabrication and assemblies. Raw-material sourcing remained largely aligned with customer-managed supply chains, while operations continued to be synchronised with OEM production schedules.

The evolving global environment also continued to create structural opportunities for India. Increasing emphasis by customers in Europe and the United States on supply-chain diversification, localisation and resilient sourcing strengthened India's relevance as a manufacturing base. SMIL is positioned to participate in these opportunities through its capabilities across emission control systems, thermal-management components, lightweighting solutions, temperature-controlled tubes and related adjacencies.

Regulatory developments remained an important long-term growth driver during FY26. The Company continued to benchmark global emission and fuel-efficiency regulations and engage with OEMs on future system requirements. Evolving requirements, including WLTP and future BS7 norms, are expected to increase the focus on catalyst efficiency, calibration, thermal management and system durability. The evolving tractor-emission roadmap also moved towards power-category-specific norms and timelines, with the near-term opportunity expected to be concentrated in mufflers and integrated mufflers.

The proposed CAFE III framework for M1 passenger vehicles reinforces a multi-technology approach to fleet-level fuel-efficiency and CO2 compliance. OEMs are expected to use a combination of EVs, hybrids, CNG, flex-fuel, powertrain-efficiency measures and lightweighting. Except for pure EVs, these pathways continue to support the relevance of engineered emission systems, while lightweighting remains applicable across powertrains. This transition aligns with SMIL's emission and lightweighting strategy.

Lightweighting remained a critical growth lever for the Company during FY26. Increasing OEM focus on fuel efficiency, CO2 reduction, EV range, safety and platform optimisation continued to support demand for lightweight structural products. SMIL expanded its powertrain-agnostic portfolio across ICE and EV platforms, led by control arms and links and supported by the technology licensing agreement with Donghee for subframes and torsion beams.

SMIL's control arms and links business has been built through organic manufacturing, local R&D and customer capabilities. The Company continued to strengthen this platform through technology partnerships and by developing capabilities in more engineering-intensive structural products.

Donghee technology licensing agreement expands SMIL's lightweighting portfolio beyond control arms and links into subframes and torsion beams, increasing the Company's addressable content per vehicle over time.

During FY26, the initial focus under the partnership remained on technology transfer, localisation, capability building and customer engagement, while the existing control arms and links business continued to scale.

Over time, the Company aims to build a broader and stronger position across the relevant lightweighting portfolio through organic growth, customer additions and product expansion.

Execution during FY26 remained on track, with key programs progressing in line with customer timelines. SOPs for previously announced control arms and links programs commenced as scheduled, the CEV temperature-controlled tube program entered SOP and began ramping up, and Chakan III lightweighting facility commenced SOP with modular capacity deployment aligned to customer requirements. Based on the Company's internal annual value market-share workings, SMIL's market share in control arms and links

increased to approximately 14% in FY26 from around 12% in FY25. During FY26, the Company filed nine additional patent applications and was granted one more patent, taking cumulative patent filings to 22 and patents awarded to 4.

SMIL remains focused on strengthening technology capabilities, expanding its global footprint and improving operational excellence. The Company's long-term objective is to create sustainable value through disciplined growth, innovation, diversification and resilient execution.

The Indian Automobile Ancillary Market: A Promising Outlook

The Indian automotive component industry recorded strong growth in FY26, supported by domestic vehicle demand, higher production volumes, increasing localisation and greater value addition. According to ACMA's Industry Performance Review FY26, industry turnover reached ₹7.6 lakh crore, growing 12.7% year-on-year and nearly doubling from ₹3.4 lakh crore in FY21.

Growth was broad-based. Supplies to OEMs grew by 16.3% to ₹6.63 lakh crore, the aftermarket expanded by 9.0% to ₹1.08 lakh crore, exports increased by 10.3% in rupee terms to ₹2.12 lakh crore and imports grew by 19.0% to ₹2.24 lakh crore.

Structural growth drivers included sustained domestic demand, increasing technology content, vehicle premiumization, localisation and greater adoption of advanced components. Passenger vehicles remained the largest end-user segment, accounting for 45% of component supplies to OEMs.

The sector continued to adapt to emerging mobility trends. Supplies to electric vehicles represented approximately 4.6% of total OEM supplies in FY26. While ICE platforms remained dominant, increasing adoption of alternative powertrains continued to drive investment in electronics, precision engineering and advanced manufacturing capabilities.

Exports remained an important growth driver. North America and Europe together accounted for more than USD 14.6 billion of exports, while the United States remained India's largest export destination at approximately 26% of total exports. India's growing engineering capability, manufacturing scale and integration into global supply chains continue to support long-term export potential.

Looking ahead, the industry remains supported by domestic vehicle demand, infrastructure-led growth, localisation, technology transition and expanding global sourcing opportunities. Key risks include geopolitical uncertainty, raw-material volatility, critical-material availability and logistics costs.
(Source:https://electronicsera.in/wp-content/uploads/2026/07/ACMA-Industry-performance-2025-26-1.pdf)

Artificial Intelligence (AI) Integration in the Automotive Ancillaries' Products Market

Artificial Intelligence is increasingly being applied across automotive design, product development, quality and manufacturing. Its use can improve design optimisation, validation, production planning, quality control and data-led process improvement.

AI-enabled analytics can also support demand forecasting, inventory management and operating efficiency. These applications are expected to contribute to higher engineering productivity and manufacturing effectiveness across the automotive component industry.

Indian Automobile Market Size

The Indian passenger vehicle industry recorded its highest-ever annual domestic sales of 46.43 lakh units in FY26, growing 7.9% year-on-year. Passenger vehicle production stood at 55.39 lakh units, while exports reached 9.05 lakh units during the year. (source: SIAM)

During FY26, total vehicle production across passenger vehicles, commercial vehicles, three-wheelers, two-wheelers and quadricycles stood at 34.7 million units. Two-wheelers and passenger cars accounted for approximately 77% and 16% of overall vehicle volumes, respectively. (SIAM)

Indian Auto Components Industry: A Driving Force of Growth

The Indian auto components industry reached a turnover of ₹7.6 lakh crore in FY26, growing 12.7% year-on-year. The growth reflected strong vehicle demand, higher production, localisation and increasing technology content across the value chain. (Source: ACMA Report)

The sector's expanding scale, engineering capability and manufacturing competitiveness continue to strengthen India's position as a global automotive sourcing base.

India's mobility transition broadened further in FY26. Total EV retail volumes reached 24.5 lakh units, growing 24.6% year-on-year. EV penetration stood at 6.5% in two-wheelers, 4.3% in passenger vehicles and 1.8% in commercial vehicles. Within passenger vehicles, CNG/LPG accounted for 22% of retail volumes and hybrids for 8.2%, while petrol/ethanol remained the largest category at 47.5%. This mix indicates that India continues to evolve as a multi-powertrain market. (Source: FADA)

Green Shoots for Auto Components Industry

Robust Demand:

India's automotive demand outlook remains structurally supported by rising incomes, urbanisation, infrastructure activity and replacement demand. Total domestic automobile sales reached approximately 2.83 crore units in FY26, reflecting healthy demand across vehicle segments. (source: SIAM)

The industry also benefited from improving consumer sentiment and macroeconomic stability during the year.

In parallel, global supply-chain realignment continued to support the domestic auto component sector, with OEMs diversifying sourcing towards India. Increasing localisation is expected to further strengthen demand for domestically manufactured components.

Export Opportunities:

Automotive component exports reached approximately USD 24.0 billion in FY26, demonstrating resilience despite global uncertainty.
(Source: ACMA FY26 Industry Presentation)

Export potential remains significant, supported by global OEM sourcing, increasing value addition and India's competitive position in engine components, drive-transmission systems, suspension and braking systems and other engineered products.

The Indian automotive sector is expected to witness investment of nearly ₹58,000 crore by FY28 towards localisation of advanced components, supporting reduced import dependence and greater participation in global supply chains.
Source: IBEF Auto Components Industry

Competitive Advantage:

India's expanding localisation ecosystem, engineering capabilities and scalable manufacturing base continue to improve its competitiveness in global automotive sourcing.

India's large engineering and manufacturing talent pool supports complex product development, localisation of global designs and rapid industrialisation. The country's significant domestic steel base also supports manufacturing scale and raw-material availability.

India's geographic access to major automotive markets, improving technology parity with global safety and emission benchmarks, competitive cost structure and manufacturing scale are strengthening its position as an attractive sourcing base for global OEMs.

Government Initiatives

The Government of India continued to support automotive-sector growth through targeted policy measures. The Production Linked Incentive (PLI) scheme for automobiles and auto components, with an outlay of ₹25,938 crore, is intended to encourage investment in advanced automotive technologies and localisation.

Regulatory developments are also increasing technology content across the automotive value chain. BS6.3 incorporating WLTP has been notified for implementation from 1 April 2027 for vehicles below 3.5 tonne GVW, increasing the focus on catalyst efficiency, calibration, thermal management and durability. India is also progressing towards future BS7 requirements, with final timing and specifications subject to official notification.

The proposed CAFE III framework for M1 passenger vehicles is expected to encourage OEMs to meet fleet-level fuel-efficiency and CO2 targets through a combination of EVs, hybrids, CNG, flex-fuel, powertrain efficiency and lightweighting. These developments support demand for advanced emission control, thermal management and lightweighting solutions.

The Government has also continued to strengthen testing and R&D infrastructure through initiatives such as NATRIP, while programs such as PM E-DRIVE and the Electric Mobility Promotion Scheme support cleaner mobility and technology development across the automotive value chain.

SWOT Analysis for Indian Auto Components Industry

Strengths

- Large and growing domestic automobile market, supporting sustained demand for auto components
- Strong availability of skilled engineering and manufacturing workforce
- Cost-efficient manufacturing ecosystem, enhancing global competitiveness
- Well-established supplier base across multiple manufacturing clusters
- Increasing integration into global supply chains and export markets
- Rising investments in R&D and alignment with global quality standards

Weaknesses

- Continued dependence on imports for advanced and high-technology components
- Fragmented industry structure with a significant MSME presence
- Limited product diversification among smaller players
- Infrastructure and logistics bottlenecks in certain regions
- Increasing regulatory and compliance complexities

Opportunities

- Expanding export potential driven by global supply-chain diversification, localisation and resilient sourcing strategies
- Strong policy support through initiatives such as PLI and Atmanirbhar Bharat
- Growing demand for lightweighting, advanced emission control and higher-content components across multiple powertrains
- Increasing localisation, technology content and value addition across the automotive supply chain
- Opportunity to increase participation in global sourcing programs as India strengthens engineering capability, manufacturing scale and technology content

Threats

- Volatility in raw-material prices and logistics costs impacting profitability
- Intensifying competition from other cost-competitive manufacturing countries
- Technology-transition uncertainty due to varying adoption rates across ICE, hybrid, CNG, flex-fuel and electric powertrains, requiring sustained R&D and capital investment
- Increasing regulatory and compliance requirements
- Potential impact of geopolitical developments, trade and tariff actions, shipping-route disruptions, currency movements and volatility in crude oil, freight and insurance costs, which may affect supply chains, customer planning and end-consumer demand

Risks and Concerns

SMIL follows a structured and proactive risk-management approach. Key risks are regularly identified, evaluated and monitored, with mitigation actions reviewed by management, the Risk Management Committee and the Board of Directors.

Some of the major risks identified by the Risk Management Committee of the Company are set out below:

Risks	Analysis	Approach to mitigate the risk
Customer Concentration	Dependence on a limited number of large customers may affect volume stability and commercial bargaining position.	The Company continues to broaden its customer and product base, increase wallet share with existing customers and develop opportunities across lightweighting, emission adjacencies and exports.
Market Concentration	A predominantly domestic revenue base can increase exposure to changes in the Indian automotive cycle.	SMIL established a dedicated global business team in FY25 and continues to engage with customers across North America and Europe, supported by RFQ activity across emission components, temperature-controlled tubes, heat shields and other adjacencies.
Legal Compliance Risk	As a listed company operating plants across multiple states, SMIL is subject to corporate, securities, labour, environmental and state-specific laws and regulations.	The Company has strengthened internal compliance capabilities, obtains external legal and specialist advice where required and uses a portal-based compliance-monitoring platform.
Risk of costs associated with Eventualities	Events such as fire, theft, natural hazards, transit damage, employee injury, product recall, litigation and third-party claims may result in financial or operational loss.	The Company maintains appropriate insurance coverage and operating policies and procedures to mitigate such risks.
Human Resource Risk	Business performance may be affected by attrition, availability of critical skills, capability development and industrial-relations issues.	SMIL follows structured recruitment, compensation, training, engagement and employee-welfare practices to attract, develop and retain talent and maintain workforce stability.
Cyber Security Risk	Technology obsolescence and cyber threats such as malware, phishing and ransomware may affect information security and business continuity.	The Company conducts VAPT and infrastructure security audits, addresses identified gaps and maintains data-backup and business-continuity measures.
Regulatory / Technology Transition Risk	Changes, delays or revisions in emission, fuel-efficiency and powertrain regulations may affect product demand, program timing, technology requirements and investment cycles.	SMIL benchmarks evolving regulations, engages with OEMs on future requirements, strengthens R&D and validation capabilities and diversifies across emission systems, thermal management and powertrain-agnostic lightweighting products.
Geopolitical / Supply Chain Risk	Geopolitical developments, trade actions, shipping-route disruptions and volatility in raw-material, freight, insurance and currency costs may affect supply continuity, customer schedules and operating costs.	SMIL's India-centric manufacturing footprint, backward integration, customer-aligned sourcing, localisation initiatives and flexible operating approach support supply-chain resilience. The Company continues to monitor developments and align production with customer requirements.

Internal Control system and their adequacy

The Company has an internal control system appropriate to the size, scale and complexity of its operations. Policies and procedures govern financial and operational activities and are designed to provide reasonable assurance over accounting records, financial reporting, operating effectiveness, safeguarding of assets and regulatory compliance. The internal financial-control framework is further supported by periodic internal audits and regular management reviews.

Discussion on Financial Performance with respect to Operational Performance

The financial statements of SMIL and its subsidiaries have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and the applicable rules, as amended from time to time. Significant accounting policies are detailed in the notes to the consolidated financial statements.

Key Standalone financial highlights

- Revenue from operations grew by 20% in FY26 compared with FY25.
- EBITDA margin for FY26 stood at 12.3% compared with 14.0% in FY25. Gross Profit, which the Company considers as relevant indicator of underlying operating performance, grew by 8% to ₹802.8 crore, broadly in line with industry growth during FY26.
- PBT margin for FY26 stood at 13.4%. Profit after tax for FY26 stood at ₹341.6 crore.

Detailed financial highlights are provided in the Board Report forming part of the Annual Report.

Segment-wise / product-wise performance

The Company operates under a single reportable segment, as its primary business involves manufacturing, assembling and trading automobile components.

Significant changes in Key Financial Ratios

Sr. No	Ratios	Unit of Measurement	As of March 31, 2026	As of March 31, 2025	Change in percentage	Reason for change
1	Debtors Turnover	Times	10.50	11.08	-5%	Not applicable
2	Inventory Turnover	Times	13.87	14.04	-1%	Not applicable
3	Current Ratio	Times	1.98	2.23	-11%	Not applicable
4	Net Profit Margin	Percent	10.06	11.02	-8%	Not applicable
5	Debt Equity Ratio*	Times	0.04	0.05	-23%	Not applicable
6	Operating Profit Margin	Percent	12.99	14.86	-13%	Not applicable
7	Return on Net Worth	Percent	25.76	28.97	-11%	Not applicable
8	Interest Coverage Ratio*	Times	59.07	93.22	-37%	Increase in debt as per IND AS

*Note: Pursuant to the Guidance Note issued by the ICAI in January 2022, the Company has considered lease liabilities as debt for the purpose of calculating the relevant ratios.

Material developments in Human Resources

The Company's Employee Value Proposition (EVP) is focused on attracting, developing, engaging and retaining talent while building an agile workforce aligned with strategic priorities and core values.

With operations across five states and nine manufacturing units, employees have access to learning, development and career opportunities across functions and locations. The Company continues to invest in capability building through domain knowledge, technical expertise and structured development interventions.

SMIL places emphasis on employee communication, recognition and engagement, with initiatives designed to strengthen collaboration and a sense of belonging.

In addition to competitive compensation and benefits, the Company undertook a range of employee-engagement initiatives during FY26, including:

- Monthly reward and recognition programs
- Celebrations of International Women's Day, Diwali and other regional festivals
- Employee communication forums, including Plant Head communication platforms

The Company remains committed to building a respectful, inclusive and collaborative workplace that supports sustainable performance.

A detailed demographic breakdown of number of people employed by the company as on March 31, 2026 is provided in the Business Responsibility and Sustainability Report forming part of this Annual Report.

Industrial Relations

The Company's relationship with employees and labour unions remained constructive during FY26. SMIL continued to focus on safety, quality and productivity improvements and followed a disciplined approach to wage settlements based on the context of each location.

Cautionary Statement

Certain statements in this Management Discussion and Analysis section relating to the Company's outlook, industry trends, objectives and expectations are forward-looking in nature and subject to applicable laws and regulations. Actual results may vary materially due to factors including changes in supply-demand dynamics, raw-material availability and prices, government regulations, tax laws, judicial outcomes, labour relations, geopolitical developments and broader economic conditions. Readers are advised to consider these factors while evaluating the Company's performance and future prospects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sharda Motor Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 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 standalone financial statements, including a summary of material accounting policies information and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the Profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report w.r.t the Company:

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	**Valuation of Investments** The Company's investment portfolio constitutes a substantial portion of the Company's total assets as at the reporting date and primarily comprises investments in bonds, mutual funds and fixed deposits. These investments are measured either at amortized cost or at fair value through profit or loss ("FVTPL") in accordance with the applicable accounting standards, based on the contractual terms and business model assessment.	Our audit procedures included, but were not limited to, the following: **(i) Tests of Controls** Obtained an understanding of the Company's internal control framework relating to investment recognition, classification and valuation, and evaluated the design and implementation of key controls in this area and tested the operating effectiveness of these controls.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
	Considering the significant proportion of the Company's total assets represented by investments in mutual funds, related party's, bonds and fixed deposits, this area required substantial audit attention. The audit involved detailed procedures to verify the existence and ownership of such investments, assess the appropriateness of their classification and measurement in accordance with the requirements of Ind AS 109, and evaluate the accuracy of valuation based on market-linked data, Net Asset Values ("NAVs"), interest accruals and other relevant inputs as at the reporting date. Further, the audit involved evaluating management's assessment relating to income recognition, valuation and adequacy of disclosures in the financial statements. Owing to the materiality of these balances and the extent of judgment involved, the matter was considered to be a Key Audit Matter.	**(ii) Test of Details** a) Evaluated the appropriateness of the Company's accounting policies relating to classification, recognition and measurement of investments with reference to the requirements of Ind AS 109 Financial Instruments. (b) Verified, on a sample basis, the investment transactions undertaken during the year with supporting documents such as contact notes, investment advices, bank statements and Management approach. (c) For instruments valued at fair value, assessed the fair value calculations of all investments individually, where applicable, to determine whether the valuations performed by the Company are as per available quoted prices in liquid markets and performed testing of inputs used in valuation including checking of mathematical accuracy. (d) For instruments valued at Amortized cost, assessed the business model objective of holding the asset to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Also, assessed the instrument for impairment by evaluating if there is any significant increase in credit risk. (e) Verified accrued interest income on bonds and fixed deposits on a sample basis. (f) Assessed the adequacy and appropriateness of disclosures relating to investments, fair value measurement and financial instruments included in the standalone financial statements. **Conclusion:** Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation, and disclosure of the subject matter in standalone financial statements.
2	**Recognition of Revenue** In accordance with Ind AS 115 – Revenue from Contracts with Customers, revenue is recognized when control over the promised goods is transferred to the customer and the performance obligations under the contract are satisfied. Revenue is one of the key measures of the Company's performance and is considered a significant audit risk due to the following:	Our audit procedures included, but were not limited to, the following: **(i) Test of Controls** a) Obtained an understanding and assessed the design, implementation and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
	(i) Revenue being a key performance indicator for stakeholder, creating an inherent risk of management bias or override in timing of recognition. (ii) Significant judgment is involved in determining the timing of transfer of control and appropriate cut-off of revenue transactions, especially for dispatches made near the year end. Accordingly, there is a risk of revenue being recognized in an incorrect accounting period. (iii) The Company's customer arrangements include various pricing terms and commercial adjustments such as rebates, price revisions and recoveries linked to changes in raw material prices. Determination of the transaction price requires significant management judgement and estimation, especially in respect of variable consideration and year-end price adjustments. There is therefore a risk that revenue may not be recognized at the appropriate amount due to complexities involved in estimating such adjustments and assessing their impact on revenue recognized during the year and at the reporting date. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	b) Performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers and management's process & assumptions used in calculation of price variations. **(ii) Test of Details** a) Assessed the appropriateness of the Company's accounting policy for revenue recognition in accordance with Ind AS 115 Revenue from Contracts with Customers and evaluated management's assessment relating to identification of performance obligations, determination of transaction price and timing of transfer of control. b) Selected samples of revenue transactions recorded during the year and verified the same with supporting documents including customer purchase orders, sales orders, tax invoices, dispatch documents, e-way bills, transporter acknowledgements and proof of delivery. c) Performed year-end cut-off testing by examining dispatches and sales transactions recorded immediately before and after the reporting date to assess whether revenue had been recognized in the appropriate accounting period. d) Reviewed significant contracts with customers and assessed pricing clauses, including tooling charges, price revisions. Compared the management's post-year-end credit notes or settlements. e) Performed analytical procedures on revenue trends and investigated unusual fluctuations and variances identified during the course of the audit. f) Performed testing of selected manual adjustments and override entries relating to revenue, sales returns and credit notes to assess whether such transactions were appropriately authorized, supported and recorded in the correct accounting period. g) Assessed the adequacy and accuracy of the Company's disclosures related to revenue recognition in the financial statements, as required by Ind AS 115.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
		Conclusion: Based on our procedures as mentioned above, we did not identify any findings that are significant for the standalone financial statements as whole in respect of accounting, presentation and disclosure of revenue recognition. No material exceptions were noted in respect of the related balances and disclosures in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone 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 standalone 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.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"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, based on our audit 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 2B (f) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules 2014.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change 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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) The modifications 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

2B. 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 on its financial position in its standalone financial statements- Refer Note No. 40 to the standalone 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 to the accounts, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that has 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) & (ii) above, contain any material misstatement.

(e) i. The final dividend proposed in the previous year, declared and paid by the Company during the year is in compliance with section 123 of the Act to the extent it applies to payment of dividend; and

ii. As stated in note 48 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(f) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility for all relevant transactions recorded in the respective software except for the details below.

i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

ii. The Company has used payroll software for maintaining payroll records which is operated by a third-party service provider. We have relied upon the report of independent service auditors report for compliance & operating effectiveness of audit trail (edit log and backup) feature in the said payroll software, that operated throughout the year for all relevant transactions recorded their in.

Further, the audit trail has been preserved by the company as per the statutory requirements for record retention.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V of the Act.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number: 083689
UDIN: 26083689GVYYFW2232

Place of Signature: New Delhi
Date: 21.05.2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA MOTOR INDUSTRIES LIMITED

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2026, we report that:

i) In respect of Property, Plant and Equipment:

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) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

d) According to the records examined by us, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

ii) a) On the basis of information and explanation provided, the Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification is appropriate having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on such physical verification.

b) According to the records examined by us, during the year, working capital limits in excess of five crore rupees, in aggregate has been sanctioned to the Company by the banks on the basis of security of current assets. According to the information and explanations given to us, the quarterly statements filed by the Company with such banks are materially in agreement with the books of account of the Company as disclosed in Note No 47 of the Financial Statements. The Company has not been sanctioned any working capital limits by any financial institutions.

iii) According to the information and explanations given to us and based on the audit procedures performed by us during the year, the Company has neither provided any guarantee nor any security nor granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties. Accordingly, the provisions of paragraph 3(iii)(a) to (f) in respect of above are not applicable. Further, the investment in bonds, mutual funds & fixed deposits made by the Company during the year are not prejudicial to the interest of the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Section 73 to 76 of the Act and the

companies (Acceptance of Deposits) Rules, 2014(as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and record have been made and maintained in respect of Company's product / services. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of statutory dues:

a) The Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess, and any other material statutory dues applicable to it with the appropriate authorities. Further, the statutory dues of Sales-Tax, Service Tax, Duty of Excise and Value Added Tax have subsumed in GST and accordingly are not applicable to the operations of the Company. There were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.

b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues in respect of statutory dues referred to in sub-clause (vii) (a) above that have not been deposited with the appropriate authorities on account of any dispute except the following:

S. No.	Name of the Statute	Nature of Dispute	Amount involved (in ₹ in Lakh)	Amount Deposited (in ₹ in Lakh)	Period to which amount relates	Forum where dispute is pending
1.	Tamil Nadu Sales Tax Act*	VAT	35.35	58.22	FY 2010-11	State Tax Officer
			0.90	23.22	FY 2011-12	State Tax Officer
			4.12	22.69	FY 2012-13	State Tax Officer
			2.82	1.63	FY 2013-14	State Tax Officer
			2.17	2.66	FY 2014-15	State Tax Officer
			2.56	2.96	FY 2015-16	State Tax Officer
2.	Gujarat VAT Act	VAT	39.14	4.63	FY 2016-17	Asst. Commissioner State
			4.38	0.64	FY 2017-18	Asst. Commissioner State
3.	Central Excise Act	Cenvat Credit	440.00	-	FY 2008-09	LTU – Delhi
4.	Maharashtra Goods and Service Tax Act	GST	24.38	4.88	FY 2017-18	Dy Commissioner of State Tax, Nashik
		GST	17.54	-	FY 2020-21 to FY 2023-24	Asst. Commissioner State
		GST	31.84	31.84	FY 2025-26	Asst. Commissioner State
5	Uttarakhand Goods and Service Tax Act	GST	29.67	0.93	FY 2021-22	Dy Commissioner of State Tax, Uttarakhand
6	Delhi Goods and Services Tax Act	GST	24.80	1.26	2018-19	Sales Tax Officer-cum-Proper Officer
		GST	24.44	1.26	2019-20	Sales Tax Officer-cum-Proper Officer
		GST	26.19	1.47	2021-22	Sales Tax Officer-cum-Proper Officer
7	Tamil Nadu Goods and Service Tax Act	GST	86.17	7.83	FY 2017-18 & 2018-19	Assistant Commissioner, Tamil Nadu
		GST	34.67	3.13	2019-20	Additional Commissioner, Tamil Nadu
		GST	112.93	-	2020-21	Additional Commissioner, Tamil Nadu
		GST	196.51	-	2021-22	Additional Commissioner, Tamil Nadu

S. No.	Name of the Statute	Nature of Dispute	Amount involved (in ₹ in Lakh)	Amount Deposited (in ₹ in Lakh)	Period to which amount relates	Forum where dispute is pending
		GST	118.89	-	2022-23	Additional Commissioner, Tamil Nadu
		GST	299.24	-	2022-23	Additional Commissioner, Tamil Nadu
		GST	124.68	-	2023-24	Additional Commissioner, Tamil Nadu
		GST	10.08	10.08	2024-25	State Tax officer, Tamil Nadu
8	Uttar Pradesh Goods and Services Tax Act	GST	6.08	0.52	2019-20	Deputy Commissioner, Uttar Pradesh
		GST	3.46	0.30	2020-21	Deputy Commissioner, Uttar Pradesh
9	Andhra Pradesh Goods and Services Tax Act	GST	29.08	2.06	2021-21 & 2022-23	Deputy Commissioner, Andhra Pradesh
10.	Service Tax Act	Service Tax	7.56	-	Apr-11 to Dec-12	LTU – Delhi
			3.89	-	Jan-13 to Sep-13	LTU – Delhi
			5.52	-	Oct-13 to Aug-14	LTU – Delhi

Other than above, The Company also has disputed additions aggregating to ₹ 1220.16 lakh relating to Assessment years 2018 to 2024-25 that are presently pending adjudications before the Income Tax Appellate Tribunal (ITAT).

*The amount deposited in this case is more than amount involved on account of pending refund receivable by the Company.

viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix) a) In our opinion and according to the information and explanations given to us, the Company has no loans or other borrowings having stipulated repayment schedule and not liable to pay any interest thereon to any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loans during the year covered by our audit. Accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, the Company neither raised any funds on short term basis nor utilized the sanctioned working capital (short term) limit during the year. Accordingly, provisions of clause 3 (ix) (d) of the order are not applicable.

e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies. Accordingly, the provisions of clause 3(ix) (e) of the Order are not applicable.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the provisions of clause 3(ix) (f) of the Order are not applicable.

x) In respect of moneys raised by the Company through issue of shares & debt instruments:

a) During the year, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x) (a) of the Order are not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible). Accordingly, provisions of clause 3 (x) (b) of the Order are not applicable.

xi) a) Based on the audit procedures performed, representation obtained from the Management, and information and explanations given to us on our enquiries in this regard, we report that no fraud on or by the Company, resulting in a material misstatement on the financial statements has been noticed or reported during the year under audit.

b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed during the year and up to the date of this report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii) The Company is not a Nidhi company. Accordingly, provisions of clause 3(xii) (a) to (c) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.

xiv) In respect to internal audit system in the Company:

a) In our opinion and based on our examination, 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 year 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 the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.

xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, provisions of clause 3 (xvi) (a) of the Order are not applicable.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities as per provisions of Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) (b) of the Order are 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, provisions of clause 3 (xvi) (c) of the Order are not applicable.

d) According to the information and explanations given to us, there are no core investment company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3 (xvi) (d) of the Order are not applicable.

xvii) According to the information and explanations given to us, the Company has neither incurred any cash losses in the current financial year nor in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as

on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) In respect of Corporate Social Responsibility, according to the information and explanations given to us and audit procedures performed by us:

a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx) (a) of the Order are not applicable.

b) According to the information and explanations given to us, the Company has transferred the unspent CSR amount in respect of ongoing projects, as stated below, for the year requiring a transfer to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act. This matter has also been disclosed in note 35 to the standalone financial statements.

Financial year	Amount identified for spending on CSR activities for "ongoing projects"	Unspent amount	Amount transferred to special account under Section 135(6)	Due date of transfer to the account	Actual date of transfer to the account	Number of days of delay, if any
2025-26	716.49	1.59	1.59	30.04.2026	28.04.2026	Nil

xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number: 083689
UDIN: 26083689GVYYFW2232

Place of Signature: New Delhi
Date: 21.05.2026

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone financial statements of Sharda Motor Industries Limited **("the Company")** as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal control with reference to standalone 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.

For S.R. Dinodia & Co. LLP
Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 26083689GVYYFW2232

Place of Signature: New Delhi
Date: May 21, 2026

STANDALONE BALANCE SHEET AS AT MARCH 31, 2026

(All amounts are in ₹ lakh, unless otherwise stated)

	Particulars	Note No.	As At March 31, 2026	As At March 31, 2025
I.	**Assets**			
	(A) Non-current assets			
	(a) Property, plant and equipment	4	22,042.30	19,521.42
	(b) Right-of-use assets	39A	4,225.59	4,733.84
	(c) Capital work in progress	5A	-	849.47
	(d) Other Intangible assets	6	585.53	801.37
	(e) Intangible Assets under development	5B	1,430.53	-
	(f) Financial assets			
	(i) Investments	7A	4,799.07	4,799.07
	(ii) Other investments	7B	20,500.76	500.50
	(iii) Other financial assets	8	671.14	544.53
	(g) Deferred tax assets (net)	9	-	219.98
	(h) Non-current tax asset (net)	10A	1,259.66	1,244.89
	(i) Other non-current assets	11	1,065.51	2,160.99
	Total non-current assets		**56,580.09**	**35,376.06**
	(B) Current assets			
	(a) Inventories	12	28,244.93	20,722.30
	(b) Financial assets			
	(i) Investments	7C	89,602.19	70,412.24
	(ii) Trade receivables	13	36,226.26	28,465.87
	(iii) Cash and cash equivalents	14	9,164.27	19,886.59
	(iv) Bank balances other than (iii) above	15	320.41	252.98
	(v) Other financial assets	8	773.10	1,011.14
	(c) Current tax assets (net)	10B	282.62	-
	(d) Other current assets	11	1,613.20	1,073.70
	Total current assets		**1,66,226.98**	**1,41,824.82**
	(C) Disposal Group (Assets held for sale)	53	-	**165.30**
	Total assets		**2,22,807.07**	**1,77,366.18**
II.	**Equity and liabilities**			
	(A) Equity			
	(a) Equity share capital	16	1,148.16	574.08
	(b) Other equity	17	1,31,449.22	1,07,291.96
	Total equity		**1,32,597.38**	**1,07,866.04**
	Liabilities			
	(A) Non- current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	18	4,620.78	4,915.34
	(ii) Other financial liabilities	19	3.00	12.79
	(b) Provisions	20	1,266.14	1,063.29
	(c) Deferred tax liabilities (net)	9	277.99	-
	Total non- current liabilities		**6,167.91**	**5,991.42**
	(B) Current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	18	294.56	247.71
	(ii) Trade payables	22		
	- Total outstanding dues of micro and small enterprises		2,111.68	1,119.65
	- Total outstanding dues of creditors other than micro and small enterprises		75,347.91	53,143.18
	(iii) Other financial liabilities	19	1,011.93	1,592.18
	(b) Other liabilities	21	3,225.63	5,980.36
	(c) Provisions	20	2,050.07	1,276.46
	(d) Current tax Liabilities (net)	23	-	135.88
	Total current liabilities		**84,041.78**	**63,495.42**
	(C) Liabilities included in disposal group held for sale	53	-	13.30
	Total liabilities		**90,209.69**	**69,500.14**
	Total equity and liabilities		**2,22,807.07**	**1,77,366.18**
	Summary of Material Accounting Policies Information	3		

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I Revenue from operations	24	3,39,677.10	2,83,657.09
II Other income	25	8,598.79	8,328.09
III Total income (I+II)		**3,48,275.89**	**2,91,985.18**
IV Expenses			
(a) Cost of materials consumed	26	2,54,278.80	2,03,947.43
(b) Purchases of stock-in-trade	27	6,163.96	5,496.09
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	28	(1,044.61)	181.78
(d) Employee benefits expense	29	15,996.67	14,742.34
(e) Finance costs	30	433.15	393.33
(f) Depreciation and amortization expense	31	6,345.64	5,822.62
(g) Other expenses	32	22,405.95	19,647.57
Total expenses		**3,04,579.56**	**2,50,231.16**
V Profit before exceptional items and tax (III-IV)		**43,696.33**	**41,754.02**
VI Exceptional items	32(a)	1,815.22	-
VII Profit before tax (V+VI)		**45,511.55**	**41,754.02**
VIII Tax expense:	9		
(a) Current tax		10,733.61	10,174.98
(b) Deferred tax		526.63	322.64
(c) Income tax for earlier Year		96.29	7.35
Total tax expense		**11,356.53**	**10,504.97**
IX Profit for the year (VII-VIII)		**34,155.02**	**31,249.05**
X Other comprehensive income			
Items that will not be reclassified to profit or loss	**33**		
- Re-measurement gains/ (losses) on defined benefit plans		(113.90)	(48.14)
- Income tax on items that will not be reclassified to profit or loss		28.67	12.12
Items that will be reclassified to profit or loss		-	-
- Income tax on items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of tax		**(85.23)**	**(36.02)**
XI Total comprehensive income for the year, net of tax	**(IX+X)**	**34,069.79**	**31,213.03**
XII Earnings per share: (Face value ₹ 2 per share)	**34**		
1) Basic (amount in ₹)		59.50	54.43
2) Diluted (amount in ₹)		59.50	54.43
Summary of Material Accounting Policies Information	3		

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	45,511.55	41,754.02
	Adjustments for:		
	Depreciation and amortization expense	6,345.64	5,822.62
	Finance cost	414.02	248.06
	Interest income	(1,890.70)	(2,262.23)
	Loss / (Gain) on sale of Investments	(1,088.31)	(940.75)
	Amortization of discount/premium on bonds	(2.54)	(222.26)
	Provision for doubtful receivable written back	(80.74)	102.59
	Loss / (Gain) on disposal of property, plant and equipment (net)	(4,083.90)	(1,770.34)
	Warranty Provision (Net)	145.88	-
	Provision for advances written back	-	(3.67)
	Liabilities no longer required written back	(290.32)	(210.45)
	Fair value Loss/ (gain) on investments at FVTPL (Net)	(3,377.04)	(2,681.77)
	Unrealized loss/(gain) on foreign exchange (net)	313.18	(74.61)
	Operating profit / (loss) before adjustments	**41,916.72**	**39,761.21**
	Movement in working capital:		
	Decrease/(increase) in inventories	(7,522.63)	(1,031.15)
	Decrease/(increase) in trade receivables	(7,674.38)	(5,855.03)
	Decrease/(increase) in other financial assets	(87.52)	(128.64)
	Decrease/(increase) in other assets	(358.05)	(332.39)
	Increase/(decrease) in trade payables	23,167.93	5,061.94
	Increase/(decrease) in other liabilities	(2,682.36)	(531.77)
	Increase/(decrease) in other financial liabilities	76.12	25.60
	Increase/(decrease) in provisions	716.68	244.28
	Cash generated from operating activities	**47,552.52**	**37,214.05**
	Income Tax (paid)/ refund	(11,263.17)	(10,159.68)
	Net cash from operating activities - (A)	**36,289.35**	**27,054.37**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of PPE including capital work-in-progress, & Intangible Assets	(9,170.61)	(9,234.31)
	Proceeds from disposal of property, plant and equipment, and Intangible Assets	5,245.07	3,303.66
	Net Proceeds from sale & Purchase of investments	(35,110.80)	(3,515.98)
	Bank deposits (made)/realised	(12.20)	(30.93)
	Movement in Earmarked balances with banks	(85.91)	405.80
	Interest received	2,120.33	2,255.90
	Net cash used in investing activities - (B)	**(37,014.12)**	**(6,815.86)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest payment of lease liability	(414.02)	(248.06)
	Principal payments of lease liability	(247.71)	(134.85)
	Dividend paid (including taxes)	(9,328.75)	(2,847.42)
	Payment for buyback of shares (including transactions costs and taxes)	-	(23,011.76)
	Transaction cost of Bonus Issue	(9.70)	-
	Net cash used in financing activities - (C)	**(10,000.18)**	**(26,242.10)**
	Effect of fair Value changes on Cash & Cash Equivalents (investment in Liquid Fund) - (D)	1.93	55.09
	Effect of exchange differences on restatement of of foreign currency cash and cash equivalents - (E)	0.70	(1.06)
	Net increase / (decrease) in cash and cash equivalents - (A+B+C+D+E)	**(10,722.32)**	**(5,949.56)**
	Cash and cash equivalents at the beginning of the year	19,886.59	25,836.15
	Cash and cash equivalents at the end of the year [refer note 14]	**9,164.27**	**19,886.59**
	Components of cash and cash Equivalents		
	-Cash on hand	0.34	0.06
	-With banks on current accounts	7,655.26	8,224.88
	-With banks on EEFC accounts	6.74	-
	-Liquid Funds	1,501.93	11,661.65
	Total	**9,164.27**	**19,886.59**

The accompanying notes form an integral part of these standalone financial statements

Notes:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".

ii) Cash and cash equivalents consist of cash in hand, balances with scheduled banks in current accounts or deposits with original maturity of three months or less and investment in liquid mutual fund (refer note 14).

iii) Cash flows from operating activities include ₹ 716.49 lakh (March 31, 2025: ₹ 592.80 lakh) being expenses towards Corporate Social Responsibility initiatives.

iv) Cash flows from investing activities include non cash transaction of ₹ 10.74 lakh (March 31, 2025: ₹ 10.11 lakh) in respect of unwinding of interest on security deposits.

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

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

(All amounts are in ₹ lakh, unless otherwise stated)

A. Equity Share Capital*

	Amount
Balance As at April 01, 2024	**594.63**
Shares extinguished on buy-back (Refer Note-16)	(20.55)
Balance As at March 31, 2025	**574.08**
Change during the year	574.08
Balance As at March 31, 2026	**1,148.16**

B. Other Equity**

	Reserve & Surplus				
	Capital Reserve	Capital Redemption Reserve (CRR)	General Reserve	Retained Earnings	Total
Balance As at April 01, 2024	**0.20**	**-**	**21,025.68**	**80,891.68**	**1,01,917.56**
Profit for the year	-	-	-	31,249.05	**31,249.05**
Other comprehensive income for the year, net of tax	-	-		(36.02)	**(36.02)**
Total Comprehensive Income	**-**	**-**	**-**	**31,213.03**	**31,213.03**
Capital Redemption Reserve (CRR)	-	20.56	(20.56)		**-**
Buy Back of Equity shares	-	-	(18,479.43)		**(18,479.43)**
Taxes & Transaction cost on buy back of equity shares	-	-	(205.29)	(4,306.49)	**(4,511.78)**
Payment of final dividend for the year the FY 2023-24	-	-		(2,847.42)	**(2,847.42)**
Balance As at March 31, 2025	**0.20**	**20.56**	**2,320.40**	**1,04,950.80**	**1,07,291.96**
Profit for the year	-		-	34,155.02	**34,155.02**
Other comprehensive income for the year, net of tax	-		-	(85.23)	**(85.23)**
Total Comprehensive Income	-		**-**	**34,069.79**	**34,069.79**
Issue of Bonus Shares	-	(20.56)	(553.52)	-	**(574.08)**
Transaction cost on bonus issue share			(9.70)	-	**(9.70)**
Payment of final dividend for the year the FY 2024-25	-		-	(9,328.75)	**(9,328.75)**
Balance As at March 31, 2026	**0.20**	**-**	**1,757.18**	**1,29,691.84**	**1,31,449.22**

*** For details, refer note no. 16**

**** For details, refer note no. 17**

Summary of Material Accounting Policies Information 3

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ lakh, unless otherwise stated)

Note 1: Corporate Information

Sharda Motor Industries Limited ("the Company") was incorporated on January 29, 1986 under the Companies Act, vide Current Registration Number L74899DL1986PLC023202. The Company is currently listed with Bombay Stock Exchange and National Stock Exchange. It is primarily engaged in the manufacturing and assembly of Auto Components including Exhaust Systems, Catalytic Convertors, Suspension Systems and Sheet metal components for the Automotive. The Company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got manufacturing facilities across various locations in different states of India.

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements were authorized for issue by the Company's Board of Directors on May 21, 2026.

2.2 Basis of preparation and presentation:

The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities that are measured at fair value or amortised cost.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current, non-current classification of assets and liabilities.

Functional and Presentation Currency

The financial statements are presented in ₹ which is its functional & presentational currency and all values are rounded to the nearest lakh up to two decimal places except otherwise stated.

2.3 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2026 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 Use of estimates and judgments:

The preparation of financial statements is 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 and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the company has made certain judgements in applying accounting policies which have an effect on amounts recognized in the financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements:

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2026:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.(as applicable from year to year)

2.5 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. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised 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 entirely 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.

2.6 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.7 Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:-

The Ministry of Corporate Affairs (MCA) has notified key amendments to Ind AS effective for the financial year beginning April 1, 2026. These changes focus on enhanced transparency. Most notably regarding debt classification under Ind AS 1. Companies must now classify liabilities as current if loan covenants are breached by the reporting date, as post-balance sheet waivers are no longer permitted to maintain non-current status. These changes also mandate enhanced covenant disclosures, the full adoption of Ind AS 117 by the insurance sector, and early preparation for Ind AS 118 (replacing Ind AS 1), which will require the restatement of FY 2026–27 figures as comparative data for the new presentation framework. The Company is assessing impact of these amendments to the current operations and its financial statements.

2.8 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Note 3: Summary of Material accounting policies Information

3.1 Revenue from Contract with Customer

The Revenue is recognised in accordance with the Indian Accounting Standard-115 (IND AS-115) upon transfer of control of promised goods & services to customers in an amount that reflects the consideration, the Company expects to receive in exchange for those products or services.

a) The Company manufactures and trades variety of auto components products. Revenue from contract with customer is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company applies judgement in respect to transactions relating to recognition of point in time of sale of goods. When control is transferred generally on delivery of goods, that significantly affect the determination of amount and timing of revenue from contract with customers.

b) Revenue from Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Export sales are recognized at the time of the clearance of goods and approval of Government authorities. Sale includes revision in prices received from customers with retrospective effect.

c) Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

d) Variable consideration

If the consideration in a contract includes a variable amount as per Ind AS 115, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

e) Warranty obligations

The Company generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets).

f) Dividend Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

g) Interest Income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

h) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the company performs under the contract.

Cost to obtain a contract

The company does not capitalise costs to obtain a contract because majorly the contracts have terms that do not extend beyond one year. The company does not have a significant amount of capitalized costs related to fulfilment.

3.2 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories. 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.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development and that are not ready for their intended use as at the balance sheet date.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continuous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company, its cost can be measured reliably with the carrying amount of the replaced part getting derecognised and there is increase of future benefits from the existing asset beyond previously assessed standard of performance. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. (as applicable)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

Depreciation: Depreciation is provided on pro-rata basis using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management in order to reflect the actual usage of assets.

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	15-20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified
Packaging (Trolleys, Pallets, Crates etc)	5	Not Specified

Addition to existing assets has been depreciated over the useful life of existing assets.

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.

3.3 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware) and technical Know-How. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets other than Technical Know-How are amortized on a straight line basis over the estimated life of three years and Technical Know-How is amortised on straight line method over the estimated life of 6 years from the date of capitalisation. The Changes in expected useful life or expected pattern of consumption of future economic benefit embodied in the assets are considered to modify the amortization period or method, as appropriate and are treated as change in accounting estimates.

3.4 Research & Development Costs:

a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.

b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.5 Foreign currencies translations:

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. The financial statements are presented in (₹) Rupees, which is the functional currency

of the Company and all values are rounded to the nearest lakh with two decimals except otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in statement of profit or loss on net basis.

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were integral and those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in statement of profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.6 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. 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 net realizable value is made on an item-by-item basis.

3.7 Leases:

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

Company as a lessee

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated

depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. However, If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.8 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans 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 obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund , employee state insurance and labour welfare fund are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the year in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss.

3.9 Provisions, Contingent liabilities and contingent assets:

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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) 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.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

3.10 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Initial Recognition and Classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) Financial Asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial Asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

(iii) Financial Asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Investments in associate and joint venture

The investment in associates and Joint venture are carried at cost as per IND AS 27. Investments representing equity interest in associate and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Investments in subsidiaries

As per Ind AS 27, there is an option to measure investments in subsidiaries at cost or in accordance with Ind 109 at either: (a) Fair value on date of transition; or (b) previous GAAP carrying values. The Company has recognised the investment in subsidiary at Cost as per Ind AS 27

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows “simplified approach” for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the statement of profit and loss.

Write-off: The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company’s Balance Sheet) when: (i) The contractual rights to receive cash flows from the asset has expired, or (ii) The Company has transferred its contractual rights to receive

cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial liabilities and equity instruments

Classification of Debt and Equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and in accordance with Ind AS 109 "Financial Instruments" read with Ind AS 32 "Financial Instruments Presentation".

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction shall be accounted as a deduction from equity

Financial Liability- Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include trade payables, trade deposits, liabilities towards services, sales incentive and other payables. The Company do not have any loans & borrowings as at reporting date

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the statement of profit and loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.11 Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense represents the sum of current tax and deferred tax. The Management periodically reviews and evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation & establishes provision where appropriate.

Current tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.12 Operating segment:

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 CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.13 Asset held for sale and discontinued operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made and management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Further as mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period

3.14 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

3.15 Earnings per share (EPS):

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 earning 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.

3.16 Impairment of Non financials assets:

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using

a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU'). An impairment loss is recognised, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in a statement of profit and loss. Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications 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. An impairment loss is reversed 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.

3.17 Exceptional items:

When items of income and expense within a statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such material items are disclosed separately as exceptional items.

3.18 Statement of Cash flows-

The statement of cash flows have been prepared under indirect method, whereby profit or loss 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 items of income or expense associated with investing or financing cash flows.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 4 : Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Building	Plant & Machinery	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at April 01, 2024	**570.58**	**514.58**	**4,726.09**	**35,727.41**	**330.75**	**769.12**	**148.13**	**1,042.92**	**2,010.06**	**45,839.64**
Add: Additions made during the year	-	-	58.76	6,920.61	141.82	158.78	10.75	223.59	94.93	7,609.24
Less: On assets reclassified as held for Sale	-	79.55	125.72	235.15	4.25	3.39	0.61	14.31	-	462.98
Less: Disposals / adjustments during the year	-	-	-	2,593.98	6.81	4.71	-	6.18	5.94	2,617.62
As at March 31, 2025	**570.58**	**435.03**	**4,659.13**	**39,818.89**	**461.51**	**919.80**	**158.27**	**1,246.02**	**2,099.05**	**50,368.28**
Add: Additions made during the year	-	-	84.54	8,466.48	177.05	139.18	90.78	73.64	265.46	9,297.13
Less: Disposals / adjustments during the year	-	-	-	1,734.65	0.00	4.01	-	-	0.75	1,739.41
As at March 31, 2026	**570.58**	**435.03**	**4,743.67**	**46,550.72**	**638.56**	**1,054.97**	**249.05**	**1,319.66**	**2,363.76**	**57,926.00**
Accumulated depreciation and amortization										
As at April 01, 2024	**-**	**47.65**	**2,294.30**	**21,957.95**	**225.38**	**543.95**	**80.52**	**651.45**	**1,124.37**	**26,925.57**
Add: Depreciation charge for the year	-	5.42	266.87	4,405.73	75.47	170.04	20.53	73.64	285.50	5,303.20
Less: On assets reclassified as held for Sale		8.51	75.77	197.91	2.40	2.88	0.40	9.74	-	297.61
Less: On disposals / adjustments during the year	-	-	-	1,064.90	5.97	3.81	-	4.31	5.31	1,084.30
As at March 31, 2025	**-**	**44.56**	**2,485.40**	**25,100.87**	**292.48**	**707.30**	**100.65**	**711.04**	**1,404.56**	**30,846.86**
Add: Depreciation charge for the year	-	4.54	225.48	4,780.03	93.80	153.71	26.52	96.93	234.07	5,615.08
Less: On disposals / adjustments during the year	-	-	-	573.89	-	3.80	-	-	0.55	578.24
As at March 31, 2026	**-**	**49.10**	**2,710.88**	**29,307.01**	**386.28**	**857.21**	**127.17**	**807.97**	**1,638.08**	**35,883.70**
Net carrying amount										
As at March 31, 2026	**570.58**	**385.93**	**2,032.79**	**17,243.71**	**252.28**	**197.76**	**121.88**	**511.69**	**725.68**	**22,042.30**
As at March 31, 2025	**570.58**	**390.49**	**2,173.73**	**14,718.02**	**169.03**	**212.50**	**57.62**	**534.98**	**694.49**	**19,521.42**

Notes:

a) Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for availing working capital facilities. However, the company has not utilised the working capital limits for the year ended March 31, 2026 (March 31, 2025 : Nil)

b) Refer note no. 40 (b) , for disclosure of capital commitment for acquisition of property, plant and equipment.

c) All the title deeds of immovable properties are held in the name of the company.

d) The lease agreement of the leasehold land is in the name of the company.

e) Refer note no. 53 for the details of the assets classified as held for sale (Net) in March 31, 2025.

Note 5A : Capital Work In Progress

	As At March 31, 2026	As At March 31, 2025
Balance at the beginning of the year	849.47	2.88
Add: Addition made during the year	1,147.89	848.74
Less: Capitalised/adjustments during the year	1,997.36	2.15
Balance at the end of the year	**-**	**849.47**

Notes:

a) Breakup of capital work in progress is as follows:

	AsAt March 31, 2026	AsAt March 31, 2025
Plant & Machinery	-	849.47
	-	**849.47**

(All amounts are in ₹ lakh, unless otherwise stated)

b) Ageing schedule of CWIP As at March 31, 2026 and As at March 31, 2025:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	-	-	-	-	-
	(848.74)	(0.73)	-	(-)	(849.47)
(ii) Projects temporarily Suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Figures in bracket represents figures for the year ended March 31, 2025.

c) There are no capital-work-in progress As at March 31, 2026 and As at March 31, 2025 whose completion is overdue or has exceeded its cost as compared to its original plan.

Note 5B : Intangible Assets under development

	As At March 31, 2026	As At March 31, 2025
Balance at the beginning of the year	-	-
Add: Addition made during the year	1,430.53	-
Less: Capitalised/adjustments during the year	-	-
Balance at the end of the year	**1,430.53**	**-**

Notes:

a) Breakup of Intangible Assets under development is as follows:	As At March 31, 2026	As At March 31, 2025
Software (SAP)	714.91	-
Technical Know how	715.62	-
	1,430.53	**-**

b) Ageing schedule of Intangible Assets under development As at March 31, 2026 and As at March 31, 2025:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	1,430.53	-	-	-	1,430.53
	(-)	(-)	(-)	(-)	(-)
(ii) Projects temporarily Suspended		-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Figures in bracket represents figures for the year ended March 31, 2025.

c) There are no Intangible Assets under development As at March 31, 2026 whose completion is overdue or has exceeded its cost as compared to its original plan.

Note 6 : Other Intangible Assets

Particulars	Computer Software	Technical Knowhow	Total
Gross carrying amount			
As at April 01, 2024	**428.11**	**2,385.17**	**2,813.28**
Add: Additions made during the year	15.01	-	15.01
Less: Disposal/ Deletion during the year		-	-
As at March 31, 2025	**443.12**	**2,385.17**	**2,828.29**
Add: Additions made during the year	6.47	-	6.47
Less: Disposal/ Deletion during the year	-	-	-
As at March 31, 2026	**449.59**	**2,385.17**	**2,834.76**

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Computer Software	Technical Knowhow	Total
Accumulated amortisation and impairment			
As at April 01, 2024	**372.56**	**1,422.22**	**1,794.78**
Add: Amortisation for the year	34.90	197.24	232.14
Less: Disposal/ Deletion during the year		-	-
As at March 31, 2025	**407.46**	**1,619.46**	**2,026.92**
Add: Amortisation for the year	25.07	197.24	222.31
Less: Disposal/ Deletion during the year	-	-	-
As at March 31, 2026	**432.53**	**1,816.70**	**2,249.23**
Net carrying amount			
As at March 31, 2026	**17.06**	**568.47**	**585.53**
As at March 31, 2025	**35.66**	**765.71**	**801.37**

Note 7A : Investments (Non-Current)

		As At March 31, 2026	As At March 31, 2025
Equity Investment in Associates , Joint Ventures & subsidiaries (Equity instruments- Unquoted (fully paid up-unless otherwise stated, at cost)			
I. Investment in Associate			
Relan Industrial Finance Limited: 490000 (March 31, 2025: 490000) Equity shares having face value of ₹ 10 each*		49.00	49.00
	(I)	**49.00**	**49.00**
II Investment in Joint Venture			
Exhaust Technology Private Limited: 47500000 (March 31, 2025: 47500,000) equity shares having face value of ₹ 10 each*		4,750.00	4,750.00
	(II)	**4,750.00**	**4,750.00**
III Investment in Subsidiary			
Uddipt Mobility India Private Limited: 740 (March 31, 2025: 740) Equity shares having face value of ₹ 10 each*		0.07	0.07
	(III)	**0.07**	**0.07**
	(I+II+III)	**4,799.07**	**4,799.07**

** The number of shares in note above represents absolute numbers.*

Information about Associate, Joint Ventures & Subsidiary

Name of the Company	Country of Incorporation	Principal Activities	Proportion (%) of equity interest	
			As At March 31, 2026	As At March 31, 2025
Associate				
Relan Industrial Finance Limited	India	Service Provider of investments	47.12	47.12
Joint Venture				
Exhaust Technology India Private Limited	India	Manufacturing of exhaust systems	50.00	50.00
Subsidiary				
Uddipt Mobility India Private Limited	India	Manufacturing of batteries	74.00	74.00

(All amounts are in ₹ lakh, unless otherwise stated)

Note 7B : Investments (Non-Current) Investment In Others

(Measured at amortised cost)

	Face value Absolute Number	As At March 31, 2026	As At March 31, 2025
In unquoted fully paid -up equity shares			
7,560 (March 31, 2025: 4,970) Equity shares of Jayanthi Wind farms Private Limited*	10.00	0.76	0.50
Investment In Tax Free Bond (Quoted)			
- 50 (March 31, 2025: 50) units of NHAI 2030 - Tax free Bond* (Maturity Date: Sep 2030) *	10,00,000.00	500.00	500.00
Investment in Debenture & Bonds (Quoted)			
5000 (March 31, 2025: Nil) Units HDB Financial Services Limited 05-Jan-2028 (Series 218 - Secured NCD) (Maturity Date: Jan 2028)*	1,00,000.00	5,000.00	-
500 (March 31, 2025: Nil) Units Tata Capital Ltd 2027 (Maturity Date: July 2027)*	10,00,000.00	5,000.00	-
500 (March 31, 2025: Nil) Units Lic Housing Finance Limited NCD (Trench 359) (Maturity Date: Jan 2028)*	10,00,000.00	5,000.00	-
5000 (March 31, 2025: Nil) Units Kotak Mahindra Prime Ltd. 8.08 NCD (Maturity Date: Oct 2027)*	1,00,000.00	5,000.00	-
		20,500.76	**500.50**

** The number of shares/Units in note above represents absolute numbers.*

Note 7C : Investments (Current)

	Face value Absolute Number	As At March 31, 2026	As At March 31, 2025
Investment in Debenture & Bonds (Quoted) (Measured at amortised cost)			
Nil (March 31, 2025: 500) units HDFC Bank Ltd. SR AA012 7.70 NCD (Maturity Date: Nov 2025)*	10,00,000.00	-	5,000.00
Nil (March 31, 2025: 500) units HDB Financial Services Ltd 6.00% HDB Financial 2025 (Maturity Date: June 2025)*	10,00,000.00	-	5,000.00
Nil (March 31, 2025: 500) units HDFC Bank Ltd. 2025 (Maturity Date: Sep 2025)*	10,00,000.00	-	5,000.00
Nil (March 31, 2025: 450) units Tata Capital Ltd 2025 (Maturity Date: Dec 2025)*	10,00,000.00	-	4,500.00
Nil (March 31, 2025: 5500) units Kotak Mahindra Investments Ltd 2025 (Maturity Date: Sep 2025)*	1,00,000.00	-	5,500.00
Nil (March 31, 2025: 500) units LIC Housing Finance Ltd 2025 (Maturity Date: Aug 2025)*	10,00,000.00	-	5,000.00
5000 (March 31, 2025: Nil) units NABARD 2026 (Maturity Date: Dec-2026)*	1,00,000.00	5,000.00	-
Investment In Mutual Funds (Quoted) (Measured at fair value through profit or loss)			
Nil units (March 31, 2025: 1,17,07,373.053 units) units SBI Arbitrage Opportunities Fund - Regular Plan - Growth*	10.00	-	3,893.42
55,19,444.724 units (March 31, 2025: 2,30,69,919.532 units) units Kotak Equity Arbitrage Fund - Growth Regular Plan*	10.00	2,160.95	8,508.98
Nil units (March 31, 2025: 1,72,20,657.088 units) units Invesco India Arbitrage Fund - Growth*	10.00	-	5,409.40
4,29,66,467.4 Units (March 31, 2025: 4,29,66,467.4 Units) Edelweiss Arbitrage Fund - Direct Plan Growth Option*	10.00	5,865.27	5,497.90
3,80,15,130.874 Units (March 31, 2025: 3,80,15,130.874 Units) Bharat Bond Fof - April 2030 - Direct Plan Growth*	10.00	5,859.92	5,585.26

(All amounts are in ₹ lakh, unless otherwise stated)

	Face value Absolute Number	As At March 31, 2026	As At March 31, 2025
1,81,45,410.21 units (March 31, 2025: 1,81,45,410.21 units) ICICI Prudential Corporate Bond Fund - Direct Plan - Growth*	10.00	5,889.82	5,543.69
85,02,564.402 units (March 31, 2025: 1,98,05,664.401 units) HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Growth	10.00	2,720.65	5,973.59
1,23,25,704.182 Units (March 31, 2025: Nil Units) Units Aditya Birla Sun Life Arbitrage Fund - Growth-Direct Plan*	10.00	3,703.62	-
1,74,41,691.854 Units (March 31, 2025: Nil Units) Nippon India Arbitrage Fund - Direct Growth Plan Growth Option - Growth*	10.00	5,247.07	-
8,03,05,661.326 Units (March 31, 2025: Nil Units) Kotak Income Plus Arbitrage Fof-Direct Plan-Growth*	10.00	10,322.00	-
5,81,86,497.571 Units (March 31, 2025: Nil Units) Axis Income Plus Arbitrage Active Fof Direct Growth*	10.00	8,875.83	-
1,45,65,178.682 units (March 31,2025: Nil Units) Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth*	10.00	3,177.99	-
49,66,227.97 units (March 31, 2025: Nil units) HDFC Arbitrage Fund-Wholesale Plan - Direct Plan-Growth	10.00	1,050.26	-
1,73,30,661.887 (March 31, 2025: Nil Units) Hsbc Short Duration Fund Direct Plan - Growth	10.00	5,037.17	-
1,63,86,349.718 Units (March 31, 2025: Nil Units) Icici Prudential Equity Arbitrage Fund - Direct Plan - Growth	10.00	6,321.98	-
84,56,923.374 Units (March 31, 2025: Nil Units) Kotak Bond Short Term Fund - Direct Plan - Growth	10.00	5,035.94	-
17,51,508.137 Units (March 31, 2025: Nil Units) Kotak Equity Arbitrage Fund - Direct Plan - Growth	10.00	736.15	-
2,01,51,469.009 units (March 31,2025: Nil units) SBI Arbitrage Opportunities Fund - Direct Plan - Growth	10.00	7,530.57	-
3,19,21,324.082 Units (March 31,2025: Nil Units) Tata Arbitrage Fund Direct Plan Growth	10.00	5,067.00	-
		89,602.19	**70,412.24**

** The number of units in note above represents absolute numbers.*

Aggregate book value of unquoted investments (net of impairment)	4,799.83	4,799.57
Aggregate value of impairment of investments	-	-
Aggregate book value of quoted investments measured at fair value through profit or loss	84,602.19	40,412.24
Aggregate Market value of quoted investments measured at fair value through profit or loss	84,602.19	40,412.24
Aggregate book value of quoted investments carried at amortised cost	25,500.76	30,500.50
Aggregate market value of quoted investments carried at amortised cost	25,560.00	31,155.18

(All amounts are in ₹ lakh, unless otherwise stated)

Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Security deposits *(Refer to note 'a' below)*	496.96	411.62	-	-
Deposits with original maturity of more than 12 months *(refer to note 15)*	145.68	115.00	-	-
Interest accrued - On Fixed deposits & Bonds	28.50	17.91	751.55	991.77
Receivable from related parties *(Refer to note 'b' below)*	-	-	21.55	19.37
	671.14	**544.53**	**773.10**	**1,011.14**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) For detailed related party disclosures, refer note 38.

Note 9 : Income Tax

The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:

Standalone Statement of Profit and Loss:

Profit or loss section

	As At March 31, 2026	As At March 31, 2025
Tax Expense:		
a) Current tax	10,733.61	10,174.98
b) Adjustments in respect of relating to earlier years	96.29	7.35
c) Deferred tax	526.63	322.63
Income tax expense reported in the Standalone statement of profit or loss	**11,356.53**	**10,504.96**

OCI section

Deferred tax related to items recognised in OCI during the year:

	As At March 31, 2026	As At March 31, 2025
Net loss/(gain) on remeasurements of defined benefit plans	(28.67)	(12.12)
Income tax charged to OCI	**(28.67)**	**(12.12)**

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025.

	As At March 31, 2026	As At March 31, 2025
Accounting profit before tax from continuing operations	45,511.55	41,754.02
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2025: 25.168%)	11,454.35	10,508.65
Adjustments in respect of current income tax of previous years	96.29	7.35
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Expenses not deducted for tax purposes	4.81	3.27
Income exempted from income tax	(9.16)	(9.14)
Impact of tax at different tax rate	(397.28)	(155.14)
Corporate Social Responsibility expense	180.33	149.20
Others	27.19	0.77
Total (A)	**11,356.53**	**10,504.96**
Income tax expense reported in Standalone statement of profit & loss (B)	11,356.53	10,504.96
Variance (A-B)	**-**	**-**

b) Deferred tax:

		Standalone Balance sheet	
		As At March 31, 2026	As At March 31, 2025
Deferred tax assets relates to the following:			
Property, plant and equipment		131.94	332.71
Provision for employee benefits		567.56	373.70
Provision for loss allowance		102.85	123.06
Provision for Slow moving Inventory		-	3.67
Unamortized Premium		27.86	6.94
Lease Liabilities		1,237.09	1,299.44
	(A)	**2,067.30**	**2,139.52**
Deferred tax liability relates to the following:			
Right to use assets		1,063.50	1,191.41
Unamortized Discount		91.80	70.24
Fair valuation of mutual fund		1,186.61	646.29
Security Deposits		3.38	11.60
	(B)	**2,345.29**	**1,919.54**
Total deferred tax assets/(liabilities) (Net)	(A-B)	**(277.99)**	**219.98**

c) The movement between net deferred tax assets /(liabilities) is as under :

	As At April 01, 2025	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2026
Deferred tax assets relates to the following:				
Property, plant and equipment	332.71	(200.77)	-	131.94
Provision for employee benefits	373.70	165.19	28.67	567.56
Provision for Doubtful Debts/Advances	123.06	(20.21)	-	102.85
Provision for Slow moving Inventory	3.67	(3.67)	-	-
Unamortized Premium	6.94	20.92	-	27.86
Lease Liabilities	1,299.44	(62.35)	-	1,237.09
	2,139.52	**(100.89)**	**28.67**	**2,067.30**
Deferred tax liability relates to the following:				
Right to use assets	1,191.41	(127.92)	-	1,063.50
Fair valuation of mutual fund & bonds	646.29	540.32	-	1,186.61
Unamortized Discount	70.24	21.56	-	91.80
Security Deposits	11.60	(8.22)	-	3.38
	1,919.54	**425.74**	**-**	**2,345.29**
Total deferred tax assets/(liabilities) (Net)	**219.98**	**(526.63)**	**28.67**	**(277.99)**

	As At April 01, 2024	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2025
Deferred tax assets relates to the following:				
Property, plant and equipment	180.63	152.08	-	332.71
Provision for employee benefits	302.23	59.36	12.12	373.70
Provision for Doubtful Debts/Advances	98.16	24.90	-	123.06
Provision for Slow moving Inventory	-	3.67		3.67
Unamortized Premium	5.93	1.01	-	6.94
Lease Liabilities	595.61	703.83	-	1,299.44
	1,182.56	**944.85**	**12.12**	**2,139.52**

(All amounts are in ₹ lakh, unless otherwise stated)

	As At April 01, 2024	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2025
Deferred tax liability relates to the following:				
Right to use assets	499.78	691.64	-	1,191.41
Fair valuation of mutual fund	128.34	517.96	-	646.29
Unamortized Discount	13.29	56.95		70.24
Security Deposits	10.67	0.93	-	11.60
	652.08	**1,267.48**	**-**	**1,919.54**
Total deferred tax assets/(liabilities) (Net)	**530.48**	**(322.63)**	**12.12**	**219.98**

d) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 10 A: Non-Current Tax Asset

	As At March 31, 2026	As At March 31, 2025
Advance Income Tax	1,259.66	1,244.89
[Net of provision for income tax of ₹ 42,282.61 lakh (March 31, 2025 : ₹ 32,002.63 lakh)]		
	1,259.66	**1,244.89**

Note 10 B : Current Tax Assets (Net)

(Unsecured and considered good, unless otherwise stated)

	Current	
	As At March 31, 2026	As At March 31, 2025
Advance Income Tax	282.62	-
[Net of provision for income tax of ₹ 10,733.61 lakh (March 31, 2025 : ₹ Nil)]		
	282.62	**-**

Note 11 : Other Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Capital advances (refer note 'a' below)	682.85	1,897.76	-	-
Balance with Government Authorities - Good	-	-	17.45	27.64
Balance with Government Authorities - Doubtful	-	-	45.86	45.86
Less : Provision for Doubtful Balance	-	-	(45.86)	(45.86)
Deposits under protest	189.52	157.72	-	-
Advances to Suppliers - Good	-	-	528.01	459.22
Advances to Suppliers - Doubtful	-	-	27.18	26.74
Less : Provision for Loss allowances/ advances	-	-	(27.18)	(26.74)
Advances to Employees	-	-	44.54	52.33
Prepaid Expenses	68.89	87.53	347.15	340.70
Premium on Bond Purchase -Unamortised Portion	124.25	17.98	198.64	4.02
Other Receivable (refer note 'b' below)	-	-	477.41	189.79
	1,065.51	**2,160.99**	**1,613.20**	**1,073.70**

Notes:

a) For details of Capital commitment, refer Note no. 40 (b)

b) Other Receivables of ₹ 477.41 lakh (March 31, 2025 ₹ 189.79 lakh) includes GST Recoverable on accrual basis of ₹ 132.51 lakh (March 31, 2025 ₹ 182.96), Insurance Claim receivables Rs.343.90 (March 31, 2025 ₹ Nil) lakh and remaining balance pertains to staff imprest account etc.

Note 12: Inventories

(Valued at lower of cost or net realizable value)

	As At March 31, 2026	As At March 31, 2025
Raw Materials	20,295.76	14,690.16
Raw Materials - In Transit	1,305.03	475.81
Work In Progress	2,772.98	2,424.15
Finished Goods (net of provision for slow moving inventory of Nil) (March 31, 2025 -14.55)	1,350.65	1,563.17
Finished Goods in Transit	1,912.75	1,004.45
Stores and Spares	607.76	564.56
	28,244.93	**20,722.30**

Notes:

a) The mode of valuation of inventories has been stated in note 3.6.

b) Inventories have been pledged to secure cash credit facilities from banks. The Holding company has not utilised the working capital limits for the year ended March 31, 2026. (March 31, 2025: Nil)

Note 13 : Trade Receivables

	As At March 31, 2026	As At March 31, 2025
Secured, Considered Good	-	-
Unsecured, Considered Good	36,366.96	28,795.84
Unsecured, Credit impaired	194.90	86.37
	36,561.86	28,882.21
Less: Allowance for expected credit loss	335.60	416.34
	36,226.26	**28,465.87**
The movement of allowance for expected credit loss is:		
Balance as at the beginning of the year	416.34	313.75
Change in allowance for credit impairment and expected credit loss (net)	(80.74)	102.59
Balance as at the end of the year	335.60	416.34

a) Trade Receivables Ageing As at March 31, 2026

Particulars	Amount not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	29,304.19	6,976.68	67.88	5.35	1.87	10.99	36,366.96
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	77.63	21.21	96.06	194.90
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**29,304.19**	**6,976.68**	**67.88**	**82.98**	**23.08**	**107.05**	**36,561.86**
Impairment allowance for trade receivable expected credit loss	-	-	-	-	-	-	335.60

(All amounts are in ₹ lakh, unless otherwise stated)

b) Trade Receivables Ageing As at March 31, 2025

Particulars	Amount not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	23,263.90	5,201.97	206.83	88.00	35.14	-	28,795.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-				86.37	86.37
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**23,263.90**	**5,201.97**	**206.83**	**88.00**	**35.14**	**86.37**	**28,882.21**
Impairment allowance for expected credit loss	-	-	-	-	-	-	416.34

c) Trade receivables have been pledged to secure cash credit facilities from banks. However, the company has not utilised the working capital limits for the year ended March 31, 2026. (March 31, 2025 : Nil)

d) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

e) The company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 45.

f) For trade receivable due from related parties (Refer note 38).

g) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other persons.

Note 14 : Cash and Cash Equivalents

	As At March 31, 2026	As At March 31, 2025
Balances with banks:		
- on current accounts	7,655.26	8,224.88
- on EEFC accounts	6.74	-
Cash on hand	0.34	0.06
Liquid Mutual Fund		
Nil units (March 31,2025: 4,10,326.983 units) ICICI Prudential Liquid Fund - Growth*	-	1,560.44
Nil units (March 31,2025: 88,119.653 units) TATA liquid fund regular Growth*	-	3,564.71
Nil units (March 31,2025: 28,256.287 units) Kotak Liquid Fund - Regular Plan Growth*	-	1,466.96
3,41,883.82 Units (March 31, 2025: Units 10,55,210) Aditya Birla Sun Life Liquid Fund Regular Plan - Growth*	1,501.93	4,367.35
Nil Units (March 31,2025: 8,000.878 Units) Nippon India Liquid Fund - Growth Plan*	-	501.55
Nil units (March 31,2025: 4,996.433 units) Sbi Liquid Fund Regular Growth*	-	200.64
	9,164.27	**19,886.59**

* The number of units in note above represents absolute numbers.

a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

Note 15 : Bank Balances Other Than Cash and Cash Equivalents

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Balances with banks:				
Earmarked balance with banks				
Unpaid dividend account	-	-	191.73	105.82
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	-	-	128.68	119.32
Deposits with original maturity of more than 12 months (refer note 'a' below)	145.68	115.00	-	27.84
	145.68	**115.00**	**320.41**	**252.98**
Less: Amount disclosed in "Other Financial Assets" (refer note 8)	145.68	115.00	-	
	-	**-**	**320.41**	**252.98**

a) The above deposits includes ₹ 274.36 lakh (March 31, 2025 : ₹ 262.16 lakh) which is given against Bank Guarantee to Various Authorities.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 16 : Equity Share Capital

	As At March 31, 2026	As At March 31, 2025
Authorised		
250000000 (March 31, 2025: 250000000) equity shares of ₹ 2 each*	5,000.00	5,000.00
Issued, subscribed and fully paid up		
57407706 (March 31, 2025: 28703853) equity shares of ₹ 2 each*	1,148.16	574.08
	1,148.16	**574.08**

*Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2026		As At March 31, 2025	
	No. of Shares*	Amount	No. of Shares*	Amount
Balance as at the beginning of the year	**2,87,03,853**	**574.08**	**2,97,31,630**	**594.63**
Buy back during the year	-	-	(10,27,777.0)	(20.55)
Balance As at March 31, 2025	**2,87,03,853**	**574.08**	**2,87,03,853**	**574.08**
Bonus share during the year	2,87,03,853	574.08	-	-
Balance As at March 31, 2026	**5,74,07,706**	**1,148.16**	**2,87,03,853**	**574.08**

*Number of Shares are given in absolute numbers

Notes:

(b) The company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per share. The company declares and pays dividends in Indian rupees. Final Dividend of ₹ 20 per equity share was proposed by the Board of Directors for the year ended March 31, 2026 (March 31, 2025: ₹ 32.50 per equity share). In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate numbers of shares bought back during the period of five years immediately preceding the Balance sheet date:

The shareholders approved the proposal of buy back of equity shares recommended by its Board of Directors by way of e-voting/postal ballot, the results of which were declared on 24 May 2024. The buyback was offered to all equity shareholders/ beneficial owners of the company (including the Promoters, members of the Promoter Group of the company). During this buy back period, the company purchased and extinguished 10,27,777 equity shares at a buy back price of ₹ 1,800 per equity share comprising 3.46% of the pre buy back paid-up equity share capital of the company. The buyback resulted in a cash outflow of ₹ 18,684.72 lakh (including transaction costs of ₹ 205.29 lakh towards buy back). The company funded the buy back from its free reserves. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital redemption reserve' of ₹ 20.56 lakh equal to the nominal value of the shares bought back as an appropriation from retained earnings. The company has also paid corresponding tax on buy-back of ₹ 4,306.49 lakh which is offset from the retained earnings.

(d) During the year, the shareholders of the company have approved the bonus issue of 2,87,03,853 Equity Shares having a face value of ₹ 2 (Rupees Two only) each, by capitalizing a sum of ₹ 574.08 Lakhs standing to the credit of capital redemption reserve and general reserve of the company, in the ratio 1:1, i.e., 1 (One) Bonus Equity Share of ₹ 2 each for every 1 (One) existing Equity Share of ₹ 2 each fully paid-up, held by the members of the company as on the record date. Consequently, the paid-up Equity Share Capital of the company has increased to ₹ 1148.16 lakhs divided into 5,74,07,706 Equity Shares of ₹ 2 (Rupees Two only) each and the Earnings Per Share (EPS) for the comparative periods have been restated in accordance with provisions of Ind AS 33 "Earning per share" to reflect the impact of the bonus shares as if the shares were in issued for the entire earlier periods.

(All amounts are in ₹ lakh, unless otherwise stated)

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	As At March 31, 2026		As At March 31, 2025	
Name of Party	No. of Shares*	Holding %	No. of Shares*	Holding %
Mr. Ajay Relan	70,34,488	12.25%	1,67,21,017	58.25%
Mr. Aashim Relan	29,30,422	5.10%	14,65,211	5.10%
SMIL Trust (Ajay Relan Trustee)	2,64,07,546	46.00%	-	-
ICICI Prudential Flexicap Fund	31,37,743	5.47%	-	-

*Number of Shares are given in absolute numbers

(f) Disclosure of Shareholdings of Promotors

Promotor's Name	As at March 31, 2026		As at March 31, 2025		'% Change during the year
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	70,34,488	12.25%	1,67,21,017	58.25%	-46.00%
Mrs. Mala Relan	13,270	0.02%	6,635	0.02%	0.00%
Mr. Aashim Relan	29,30,422	5.10%	14,65,211	5.10%	0.00%
Mrs. Indira Chowdhry	5,30,370	0.92%	2,65,185	0.92%	0.00%
SMIL Trust (Ajay Relan Trustee)	2,64,07,546	46.00%	-	-	46.00%

Promotor's Name	As at March 31, 2025		As at March 31, 2024		'% Change during the year
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	1,67,21,017	58.25%	1,73,71,380	58.43%	-0.17%
Mrs. Mala Relan	6,635	0.02%	26,04,130	8.76%	-8.74%
Mr. Aashim Relan	14,65,211	5.10%	15,22,200	5.12%	-0.02%
Mrs. Indira Chowdhry	2,65,185	0.92%	2,65,185	0.89%	0.03%

*Number of Shares are given in absolute numbers

(g) There are no shares reserved for issued under options as at reporting date.

Note 17 : Other Equity

	As At March 31, 2026	As At March 31, 2025
Capital Reserve	0.20	0.20
General Reserve	1,757.18	2,320.40
Capital Redemption Reserve	-	20.56
Retained Earnings	1,29,691.84	1,04,950.80
	1,31,449.22	**1,07,291.96**

I. For Movement during the year in Other Equity, refer "Standalone Statement of Changes in Equity".

II. Nature and purpose of reserves

a) Capital Reserve

Particulars	As At March 31, 2026	As At March 31, 2025
Balance as at beginning/ end of the year	0.20	0.20

The company recognise profit & loss on sale, purchase, cancellation and forfeiture of the company's own equity instruments to capital reserve.

b) General Reserve

Particulars	AsAt March 31, 2026	AsAt March 31, 2025
Balance as at beginning/ end of the year	1,757.18	2,320.40

The company has transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(All amounts are in ₹ lakh, unless otherwise stated)

c) Retained Earnings

Particulars	As At March 31, 2026	As At March 31, 2025
Balance as at beginning/ end of the year	1,29,691.84	1,04,950.80

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the company are transferred to retained earnings from statement of profit and loss.

d) Capital Redemption Reserves (CRR)

Particulars	As At March 31, 2026	As At March 31, 2025
Balance as at beginning/ end of the year	-	20.56

In accordance with section 69 of the Companies Act 2013, the Company has created the Capital Redemption Reserves in earlier years equal to the nominal value of shares brought back, as an appropriation from the Reserves of the Company which is utilised in current year for the issue of bonus share.

Note 18 : Lease Liabilities

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Lease liabilities*	4,620.78	4,915.34	294.56	247.71
	4,620.78	**4,915.34**	**294.56**	**247.71**

* for movement during the year, refer note 39B

Note 19 : Other Financial Liabilities

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Security deposit	3.00	12.79	-	-
Unclaimed dividends (refer note (a) below)	-	-	191.73	105.82
Creditors for capital goods-micro and small enterprises	-	-	82.15	165.26
Capital Creditors - others	-	-	738.05	1,321.10
	3.00	**12.79**	**1,011.93**	**1,592.18**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2026 (March 31, 2025 : Nil)

Note 20 : Provisions

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Provision for Employee Benefits				
- Compensated Absences (refer note 37)	503.91	392.79	322.08	244.95
- Gratuity (refer note 37)	-	-	1,014.83	372.50
Others				
- Warranty (refer note below)	762.23	670.50	713.16	659.01
	1,266.14	**1,063.29**	**2,050.07**	**1,276.46**

(All amounts are in ₹ lakh, unless otherwise stated)

a) Movement for Provision for Warranty

	As At March 31, 2026	As At March 31, 2025
Opening Balance	1,329.51	1,273.10
Add : Provision made during the year	805.97	671.40
Less : Reversed during the year	636.27	547.23
Less : Utilisation during the year	23.82	67.76
Balance at the end of the year	**1,475.39**	**1,329.51**

Note 21 : Other Liabilities

	Current	
	As At March 31, 2026	As At March 31, 2025
Advance from customers	2,094.35	1,446.59
Statutory dues	1,111.04	3,645.12
Provision for Unspent on CSR activities	1.59	73.80
Advance against Assets held for Sale (Refer note 53)	-	700.00
Discount on Purchase of Bond - Unamortised Portion	-	85.67
Other Liabilities*	18.65	29.18
	3,225.63	**5,980.36**

* Other Liabilities primarily include amounts payable on account of employee reimbursements

Note 22 : Trade Payables

	As At March 31, 2026	As At March 31, 2025
- Total outstanding dues of micro and small enterprises	2,111.68	1,119.65
- Outstanding dues of creditors other than micro and small enterprises	75,347.91	53,143.18
	77,459.59	**54,262.83**

a) Trade Payables ageing schedule As at March 31, 2026:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	2,111.68	-	-	-	-	-	2,111.68
(ii) Others	46,576.91	9,491.55	18,572.50	63.63	75.57	567.75	75,347.91
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payables ageing schedule As at March 31, 2025:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	1,119.65	-	-	-	-	-	1,119.65
(ii) Others	29,513.90	7,107.00	15,077.68	824.70	91.31	528.59	53,143.18
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

b) Trade payables are non-interest bearing and are normally settled on 60-day terms (except for MSME). The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 41 & note no 45.

c) Payable to related parties amount to ₹ 171.05 lakh (March 31, 2025: ₹ 327.15 lakh)

(All amounts are in ₹ lakh, unless otherwise stated)

d) Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006.

	Capital Creditors		Trade Payables		Total Payables	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
- Principal amount due	82.15	165.26	2,111.68	1,119.65	2,193.83	1,284.91
- Interest accrued and due on above	2.39	2.75	16.71	10.46	19.10	13.21
	84.54	**168.01**	**2,128.39**	**1,130.11**	**2,212.93**	**1,298.12**

(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	19.10	13.21
(iv) The amount of further interest remaining due and payable even in the succeeding year, 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 section 23 of the MSMED Act 2006	Nil	Nil

Note: Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

Note 23 : Current Tax Liabilities (Net)

	As At March 31, 2026	As At March 31, 2025
Provision for Income Tax	-	135.88
[Net of advance income tax of Nil (March 31, 2025 : ₹ 10040.45 lakh)]		
	-	**135.88**

Note 24 : Revenue from Operations

	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of Product		
- Finished goods	3,29,514.63	2,74,741.91
- Traded goods	6,765.01	6,011.25
	3,36,279.64	2,80,753.16
Sale of services	413.65	212.32
Other Operating Revenues		
- Sale of scrap	2,983.81	2,691.61
	3,39,677.10	**2,83,657.09**

Notes:

a) Disaggregation of revenue: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread, timing of recognition & customer type of the operations of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year ended March 31, 2026	For the year ended March 31, 2025
India	3,38,416.75	2,81,280.54
Outside India	1,260.35	2,376.55
Revenue from operations	**3,39,677.10**	**2,83,657.09**

(All amounts are in ₹ lakh, unless otherwise stated)

Revenue by time	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Revenue recognised at point in time	3,39,677.10	2,83,657.09
Revenue recognised over time	-	-
Revenue from operations	**3,39,677.10**	**2,83,657.09**

Revenue Customer-wise	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Related Party	-	-
Non- Related Party	3,39,677.10	2,83,657.09
Revenue from operations	**3,39,677.10**	**2,83,657.09**

b) Amounts included in contract liabilities:	**For the year ended March 31, 2026**	**For the year ended March 31, 2024**
Advance from customers (Refer note-21)	2,094.35	1,446.59
	2,094.35	**1,446.59**

c) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 13.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and

- there is no unbilled revenue As at March 31, 2026.

Further, the company doesn't have any contract liabilities As at March 31, 2026 and March 31, 2025

d) Unsatisfied performance obligations:

Information about the Company's performance obligations are summarised below:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, the delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

Note 25 : Other Income

	For the year ended March 31, 2026	**For the year ended March 31, 2025**
Interest Income		
- Fixed deposits with banks	19.16	46.74
- Interest on tax free bond & other bonds	1,855.58	2,202.64
Profit on sale of current investments designated at FVTPL	1,088.31	940.75
Fair value gain on current investments designated at FVTPL	3,377.04	2,681.77
Amortisation of Discount/ (Premium) on Bond (Net)	2.54	222.26
Net gain on disposal of property, plant and equipment's	1,842.98	1,770.34
Liabilities no longer required written back	290.32	210.45
Provision for advances written back	-	3.67
Miscellaneous income	122.86	249.47
	8,598.79	**8,328.09**

Note 26 : Cost of Raw Material Consumed

Raw Material	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Balance at the beginning of the year	14,690.16	13,406.17
Add:- Purchases during the year	2,59,884.40	2,05,231.42
Less:- Balance at the end of the year	20,295.76	14,690.16
	2,54,278.80	**2,03,947.43**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 27 : Purchase of Stock in Trade

	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of stock in trade	6,163.96	5,496.09
	6,163.96	**5,496.09**

Note 28 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

		For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year			
Finished goods		2,567.62	3,161.75
Work- in- progress		2,424.15	2,011.80
	(A)	**4,991.77**	**5,173.55**
Inventories at the end of the year			
Finished goods		3,263.40	2,567.62
Work- in- progress		2,772.98	2,424.15
	(B)	**6,036.38**	**4,991.77**
(Increase) / Decrease			
Finished goods		(695.78)	594.14
Work- in- progress		(348.83)	(412.34)
(Increase) / Decrease in Inventories (A-B)		**(1,044.61)**	**181.78**

a) The closing stock of finished goods is net off write down of inventories for slow moving inventory of Nil (March 31, 2025- ₹ 14.55 lakh)

Note 29 : Employee Benefits Expense

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages & other benefits	13,888.48	12,909.18
Contribution to provident and other funds (refer note below & note 37)	706.39	649.00
Gratuity (refer note 37)	188.88	160.01
Leave encashment (refer note 37)	191.52	66.03
Staff welfare expenses	1,021.40	958.12
	15,996.67	**14,742.34**

a) Pursuant to the notification by the Government of India on November 21, 2025 of 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, the "Labour Codes"), which consolidate 29 existing labour laws, and based on the draft Central Rules and FAQs issued by the Ministry of Labour & Employment, the Company has assessed the financial implications arising from the restructured employee compensation framework. Considering the material and non-recurring nature of the incremental impact attributable to the implementation of the Labour Codes, draft rules and related clarifications, the Company has recognised such amount under "Exceptional Items" as "Statutory impact of new Labour Codes" in the Statement of Profit and Loss for the year ended March 31, 2026. The Company continues to evaluate the impact of the finalisation of applicable Central and State Rules and any further governmental clarifications, and will account for consequential effects, on the basis of such developments as needed.

Note 30 : Finance Cost

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on :		
- Lease Liabilities	414.02	248.06
- Delayed payments of MSME creditors	19.10	13.21
- Delayed payments of advance tax	-	1.35
- Others	0.03	130.71
	433.15	**393.33**

Note 31 : Depreciation and Amortization Expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	5,615.08	5,303.20
Amortization of intangible assets	222.31	232.14
Amortization on right-of-use assets	508.25	287.28
	6,345.64	**5,822.62**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 32 : Other Expenses

		For the year ended March 31, 2026	For the year Ended March 31, 2025
Consumable tools		293.87	198.05
Power & fuel		1,545.16	1,414.44
Hire labour charges		10,008.57	9,193.22
Manufacturing expenses		254.17	192.21
Rent		90.91	58.54
Rates & taxes		41.74	63.45
Repair & maintenance			
-Building		160.72	263.18
-Plant & Equipment's		879.73	803.79
-Others		777.89	706.98
Net loss on foreign exchange fluctuation		911.73	252.49
Royalty fees		138.34	127.80
Research & development expenses (refer note 36)		549.18	480.39
Travelling & conveyance		1,360.42	1,268.33
Insurance		264.49	218.42
Communication cost		78.68	68.97
Director's sitting fee		23.90	26.50
Legal & professional expenses		1,528.86	1,132.66
Auditor's remuneration (refer details 'a' below)		43.65	42.35
Corporate Social Responsibility expenses (refer note 35)		716.49	592.80
Provision for Warranty	805.97		
Less: Warranty Provision written back	(636.27)	169.70	124.17
Packing material		421.32	410.98
Freight outward		1,174.75	1,049.97
Miscellaneous expenses		971.68	957.88
Total		**22,405.95**	**19,647.57**

a) Payment to Auditors*	For the Year ended March 31, 2026	For the Year Ended March 31, 2025
As Auditor:		
- Statutory audit fee (including limited review)	32.91	32.91
- Tax audit fee	6.00	6.00
- Certification Fees	3.93	2.75
In Other Capacity:		
- Reimbursement of expenses	0.81	0.69
	43.65	**42.35**

* The payment to auditors above does not includes amount of Nil (March 31, 2025- 2.5 lakh) pursuant to transactions of buy back, which is accounted as equity adjustment in Statement of changes in equity.

Note 32(a): Exceptional Items

	For the Year Ended March 31, 2026	For the year ended March 31, 2025
Profit on sale of asset held for sale (Refer note 53b)	2,240.92	-
Impact of leave encashment Past service cost (Refer note 29(a))	(86.16)	-
Impact of gratuity Past service cost (Refer note 29 (a))	(339.54)	-
	1,815.22	**-**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 33: Components of Other Comprehensive Income

	For the year ended March 31, 2026	For the year Ended March 31, 2025
Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	(113.90)	(48.14)
Income tax expense on items that will not be reclassified to profit or loss	28.67	12.12
	(85.23)	**(36.02)**

Note 34: Earnings per share (EPS)

	For the year ended March 31, 2026	For the year Ended March 31, 2025
Profit attributable to the equity shareholders **(A)**	34,155.02	31,249.05
Number/Weighted average number of equity shares outstanding at the end of the year **(B)**	**5,74,07,706**	**2,89,43,198**
Nominal value of Equity shares	₹ 2	₹ 2
Basic/Diluted Earning per share (A/B) (in ₹) (Refer note 16d)	59.50	54.43

Note: 35 Details of Corporate Social Responsibility (CSR) expenditure is as follows:

i) The Company's CSR programmes/projects focusses on sectors and issues as mentioned in Schedule VII read with section 135 of the Act. The CSR committee has been formed by the company as per the Act.

ii) Details of amount of expenditure incurred, earmarked & spent during the year

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a) Amount required to be spent by the company	716.49	592.80
b) Amount of expenditure incurred	716.49	592.80
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Purpose for which expenditure incurred		
(i) Construction/acquisitions of any asset	-	-
(ii) On purpose other than (i) above *	714.90	519.00
* Nature of CSR activities includes		
(i) Promoting Health Care including preventive healthcare, Promoting Education, Skill and Livelihood		
(ii) Promoting Education		
f) Amount of CSR provision made during the year	1.59	73.80
Total	**716.49**	**592.80**
Note: The amount in (i) above is paid to Sharda CSR Foundation trust, an entity which is being controlled by the company.		
Movement in the provision for corporate social responsibility		
Balance at the beginning of the year	73.80	796.73
Add: Provision made during the year	1.59	73.80
Less: utilised during the year	73.80	796.73
Balance at the end of the year (Refer note-21)	**1.59**	**73.80**
Amount yet to be transferred to separate bank account	1.59	73.80
Movement of amount in the separate bank account		
Balance at the beginning of the year	-	431.40
Add: amount transferred during the year	73.80	365.33
Less: amount of donation made during the year	73.80	796.73
Balance at the end of the year	**-**	**-**

* The Company has created a provision for unspent amount of ₹ 1.59 lakh in FY 2025-26 (March 31, 2025: ₹ 73.80 lakh) and transferred the same in separate bank account on April 28, 2026 and April 28, 2025 respectively as per notification no. G.S.R. 40(E) and January 22, 2021 issued by the ministry of corporate affairs (MCA).

(All amounts are in ₹ lakh, unless otherwise stated)

Note: 36 Research & Development

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Research & development expenses include:		
- Travelling expenses	67.22	53.48
- Design, development and other expenses	481.96	426.91
	549.18	**480.39**

Note 37 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Labour Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Standalone Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Employer's Contribution to Provident Fund/ Pension Fund	700.51	636.60
Employer's Contribution to Employee State Insurance	5.27	11.81
Employer's Contribution to Employee Welfare Fund	0.61	0.59
Total	**706.39**	**649.00**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

c) Compensated absences

The Company operates a compensated absences plan under which employees are entitled to avail leave encashment in accordance with the terms of the Company's leave policy. Short-term compensated absences are recognised in the Statement of Profit and Loss based on the expected obligation arising from services rendered by employees up to the reporting date. Long-term compensated absences are recognised based on an actuarial valuation carried out at the reporting date and are classified as an unfunded employee benefit obligation.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

(All amounts are in ₹ lakh, unless otherwise stated)

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d) The following tables summarize the components of net benefit expense (Gratuity) recognised in the Statement of profit and loss and the funded status and amounts recognised in the standalone balance sheet

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation as at the beginning of the year	2,191.66	1,907.77
Add: Interest cost	125.48	120.22
Add: Current service cost	180.55	162.40
Add: Past service cost	339.54	-
Less: Benefits paid	(58.46)	(51.76)
Add: Actuarial (gain) / loss	130.17	53.03
Present value of obligation as at the end of the year	**2,908.95**	**2,191.66**

1) Components of expenses recognised in the standalone statement of profit or loss in respect of:

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Current service cost	180.55	162.40
Past service cost (Refer Note 32(a))	339.54	-
Interest cost	8.33	(2.39)
Expenses recognised in profit & loss	**528.42**	**160.01**

2) Components of expenses recognised in the other comprehensive income in respect of:

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Actuarial (gains) / losses	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	(1.37)	37.36
- experience variance	131.54	15.67
Return on plan assets, excluding amount recognised in net interest expense	(16.27)	(4.89)
Component of defined benefit costs recognised in other comprehensive income	**113.90**	**48.14**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

(All amounts are in ₹ lakh, unless otherwise stated)

3) Changes in the fair value of the plan assets are as follows:

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning	1,819.16	1,731.76
Add: Investment income	117.15	122.61
Add: Employer's contribution	-	11.66
Less: Benefits paid	(58.46)	(51.76)
Add: Actuarial gains / (losses) on the plan assets	16.27	4.89
Fair value of plan assets at the end	**1,894.12**	**1,819.16**

4) The principal assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Economic assumptions		
a. Discount rate	6.46%	6.44%
b. Rate of increase in compensation levels	10.00%	10.00%
Demographic assumptions		
a. Expected average remaining working lives of employees (years)	20.03	19.00
b. Retirement Age (years)	58	58
c. Mortality Rate	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**	
Withdrawal Rate		
a. Ages up to 30 Years	29.00%	29.00%
b. Ages from 30-44	29.00%	29.00%
c. Above 44 years	29.00%	29.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

5) Net (assets) / liabilities recognized in the Standalone Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	2,908.95	2,191.66
Fair value of plan assets	1,894.12	1,819.16
Net (assets) / liability	**1,014.83**	**372.50**
Classification into long term and short term:		
- Classified as long term	-	-
- Classified as short term	1,014.83	372.50
Total	**1,014.83**	**372.50**

6) The past service cost recognised in exceptional items in statement of Profit & loss for the year ended March 31, 2026 ₹ 339.54 Lakh (March 31, 2025 Nil)

7) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	As At March 31, 2026 Gratuity (Funded)	As At March 31, 2025 Gratuity (Funded)
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(74.25)	(57.76)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	78.73	61.36
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	72.60	60.06
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(72.03)	(59.29)

C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Further, there are no changes in current year from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis.

8) Maturity profile of defined benefit obligation is as follows:

Particulars	As At March 31, 2026 Gratuity (Funded)	As At March 31, 2025 Gratuity (Funded)
1 year	253.88	253.88
2 to 5 years	1,825.43	1,366.81
More than 5 years	818.62	657.05

e. Enterprise best estimate of contribution during next year is ₹ 1224.31 lakh (March 31, 2025: ₹ 540.46 lakh).

f. There is no change in the method used in the preparing the sensitive analysis from prior years.

g. Leave Encashment

i) a) Amount recognised in the statement of profit & loss is ₹ 191.52 lakhs (March 31, 2025: ₹ 66.03 lakhs) (Refer note 29)

b) Amount recognised in exceptional item for past service cost in statement of profit & loss of ₹ 86.16 lakh (March 31, 2025 Nil) (Refer note 32a).

ii) Closing Liability : Compensated absences	As At March 31, 2026	As At March 31, 2025
-Current	322.08	244.95
-Non-current	503.91	392.79
	825.99	**637.74**

Note 38 : List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
a) Relan Industrial Finance Limited	Associate Company
b) Exhaust Technology Private Limited	Joint Venture Company
c) Uddipt Mobility India Private Limited	Subsidiary Company
a) Shri Kishan N Parikh (Chairperson)	Key Managerial Personnel
b) Smt Sharda Relan (up to 26/09/2024)	
c) Shri Ajay Relan (Managing Director)	
d) Shri Aashim Relan (Chief Executive Officer)	
e) Shri Ashok Kumar Bhattacharya (Director) (up to 02/09/2024)	

(All amounts are in ₹ lakh, unless otherwise stated)

Name of the Related Party	Relationship
f) Shri Udayan Banerjee (Director) g) Shri Nitin Vishnoi (Whole time Director (WTD) & Company Secretary) h) Smt Sarita Dhuper (Director) i) Shri Puru Aggarwal (President & Group CFO) (up to 31/03/2025) j) Shri Navin Paul (Director) w.e.f 02.08.2024 k) Shri Ghan Shyam Dass (CFO) w.e.f 01.04.2025	
a) Smt Mala Relan (spouse of Managing Director) b) Smt Aashita Relan (Daughter of Managing Director) c) Smt Indira Chowdhry(Mother in law of Managing Director)	Relatives of Key Managerial Personnel
a) Sharda Enterprises b) Sharda Auto Solutions Private Limited c) A.N.I Hospitality LLP d) Sharda CSR Foundation Trust e) AMR AI Digital Private Limited f) SMIL Trust	Entities where Directors/Close family members of Directors having control

S. No.	Nature of Transactions	Joint Venture Company	Subsidiary Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
i.	**Remuneration paid**					
	- Ajay Relan				800.53	
		-	-	-	(1,109.71)	-
	-Aashim Relan	-	-	-	159.26	-
					(144.61)	
	-Nitin Vishnoi	-	-	-	163.52	-
					(154.02)	
ii.	**Salary Paid**					
	-Ghan Shyam Dass				225.95	
					(-)	
	-Puru Aggarwal				-	
					(260.49)	
	-Mala Relan	-	-	-		15.36
						(15.36)
iii.	**Reimbursement of Expenses - paid / received**					
	-Ghan Shyam Dass				11.08	
	-Puru Aggarwal				-	
					(41.54)	
	-Navin Paul				13.75	
					(-)	
iv.	**Sitting Fee Paid**					
	-Kishan N Parikh	-	-	-	7.20	-
					(7.95)	
	Ashok Kumar Bhattacharya				-	
					(3.60)	
	-Udayan Banerjee	-	-	-	7.20	-
					(7.95)	
	-Sarita Dhuper	-	-	-	3.00	-
					(3.00)	
	-Navin Paul				6.50	
					(4.00)	
v.	**Reimbursement of Expenses - paid / received**					
	-Ani Hospitality LLP	-	-	-	-	-
				(0.09)		

(All amounts are in ₹ lakh, unless otherwise stated)

S. No.	Nature of Transactions	Joint Venture Company	Subsidiary Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
vi.	**Purchase of goods during the year**					
	-Exhaust Technology Private Limited	-			-	-
		(0.54)	(-)	(-)	(-)	(-)
vii.	**CSR Expenditure paid**					
	-Sharda CSR Foundation Trust			788.70	-	-
				(1,315.73)		
viii.	**Buy Back in Equity Shares**					
	- Ajay Relan				-	
					(11,706.53)	
	- Aashim Relan				-	
		-	-	-	(1,025.80)	
	-Mala Relan					-
			-	-		(1,754.91)
	-Aashita Relan					-
						(63.25)
ix.	**Dividend Paid**					
	- Ajay Relan	-	-	-	1,143.10	
					(1,658.72)	
	- Aashim Relan	-	-	-	476.19	
					(145.35)	
	-Mala Relan	-	-	-	-	2.16
						(0.66)
	-Aashita Relan	-	-	-	-	29.36
						(8.96)
	-SMIL Trust			4,291.23	-	
				(-)		
	-Indira Chowdhry	-	-	-	-	86.19
						(26.31)
x.	**Balance payable as at March 31, 2026**					
	- Ajay Relan	-	-	-	44.17	
					(256.31)	
	-Ghan Shyam Dass				49.19	
					(-)	
	-Nitin Vishnoi	-	-	-	29.05	
					(22.85)	
	-Mala Relan	-	-	-		0.17
						(0.17)
	-Aashim Relan	-	-	-	0.17	
					(0.17)	
	-Kishan N Parikh	-	-	-	0.32	
					(-)	
	-Udayan Banerjee	-	-	-	0.32	
		(-)	(-)	(-)	(-)	
	-Exhaust Technology Private Limited	47.66	-	-	-	-
		(47.66)	(-)	(-)	(-)	(-)
xi.	**Balance Receivable as at March 31, 2026**					
	-Exhaust Technology Private Limited	51.31	-	-	-	-
		(51.31)				
	-Uddipt Mobility India Private Limited	-	7.25	-	-	-
			(5.07)			

(All amounts are in ₹ lakh, unless otherwise stated)

Terms and conditions of transactions with related parties

i) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free.

ii) The remuneration of Key managerial Personnel does not include amount in respect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of actuarial valuation.

iii) Refer note no. 16 for issue of bonus shares to all existing share holders of the Company including KMP in proportion to shares held by the members of the Company as on record date.

Note 39 : Lease Liabilities

Lease contracts entered by the Company majorly pertains for land & Building taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Note 39A : Right-of-Use Assets

Movements in carrying value of recognised liabilities	
As at April 01, 2024	**2,366.54**
Add: Additions during the year	2,931.40
Add: Interest expense on lease liabilities	248.06
Less: (Disposals) / adjustments during the year	
Less: Repayment of lease liabilities	382.95
As at March 31, 2025	**5,163.05**
Add: Additions during the year	-
Add: Interest expense on lease liabilities	414.02
Less: (Disposals) / adjustments during the year	-
Less: Repayment of lease liabilities	661.73
As at March 31, 2026	**4,915.34**

	As At March 31, 2026	As At March 31, 2025
Non-current lease liabilities	4,620.78	4,915.34
Current lease liabilities	294.56	247.71
Total lease liabilities	**4,915.34**	**5,163.05**

a) The maturity analysis of lease liabilities is given in Note 45 in the 'Liquidity risk' section.

b) Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities on net basis.

c) There are no leases committed which have not yet commenced as on reporting date.

Note 40: Contingent Liabilities and Commitments

(a) Contingent Liabilities (to the extent not provided for)

The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/ authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars		As At March 31, 2026	As At March 31, 2025
I	**Income Tax**		
(i)	- Tax demand under section 156 of the Income Tax Act, 1961 raised during the FY 2024-25, before CIT (A) with respect to the assessment years 2014-15 to 2024-25	-	15,011.77
(ii)	**- Other Cases**		
	- Tax demand under section 143(3) of the Income Tax Act, 1961 with respect to the assessment years 2017-18 to 2021-22 - before CIT(A)	-	333.83
(iii)	Disputed additions aggregating to ₹ 1220.16 lakh relating to Assessment Years 2018–19 to 2024–25 are presently pending adjudication before the Income Tax Appellate Tribunal (ITAT). The resultant income tax exposure if any on such disputed additions has been considered as a contingent liability as at the reporting date.		
II	**Other than Income Tax Matters**		
	Disputed State Tax Matters (VAT)	40.63	67.80
	Disputed Service Tax Matters	16.97	16.96
	Disputed GST Matters	1,137.79	375.76
	Disputed Central Excise Matters	440.00	440.00
	Dispute with vendor	50.44	90.44
III	**Irrevocable letter of credit outstanding with banks**		
i)	Foreign LC	6,406.59	8,909.14
ii)	Inland LC	8,909.38	2,340.15

(b) Commitments

Particulars	As At March 31, 2026	As At March 31, 2025
Capital Commitment Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2026: ₹ 682.85 lakh (March 31, 2025 : ₹ 1897.76 lakh))	1,252.80	1,198.45
The Company does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.		

Note 41: Particulars of Unhedged Foreign Currency Exposure

	As At March 31, 2026		As At March 31, 2025	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivable	US$ 1.96 lakh	183.77	US$ 5.76 lakh	492.01
Trade Payables	US$ 114.96 lakh	10,789.57	US$ 89.53 lakh	7,650.84
Trade Payables	EURO 1.68 lakh	181.02	EURO 1.03 lakh	95.21
Trade Payables	JPY 0.25 lakh	0.15	JPY 0.25 lakh	0.140
EEFC Bank Balances	US$ 0.07 lakh	6.74		-

Note 42 : Segment Information

a) In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.

b) Major Customer: Revenue from 3 Customers (March 31, 2025: 2 Customers) of the Company's manufacturing & trading business are ₹ 282,334.78 lakh (March 31, 2025: ₹ 210,929.21 lakh) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2026 and March 31, 2025.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 43 : Fair value measurements

I **Financial instruments**

a) **Financial instruments by category**

Except Investment in bond and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and advances, are measured at amortised cost.

b) **Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2026

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in mutual funds	-	64,602.19	-	-	64,602.19	64,602.19	-	-	64,602.19
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	4,799.83	-	4,799.83	-	-	-	-
Investment In tax free bond (Quoted)	-	-	500.00	-	500.00	538.50	-	-	538.50
Investment in Bonds (Quoted)	-	-	25,000.00	-	25,000.00	25,021.50	-	-	25,021.50
Security deposits	-	-	496.96	-	496.96	-	-	-	-
Interest accrued but not due on term deposits and bonds	-	-	780.05	-	780.05	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	145.68	-	145.68	-	-	-	-
Other Receivable	-	-	21.55	-	21.55	-	-	-	-
Trade receivables	-	-	36,226.26	-	36,226.26	-	-	-	-
Cash and cash equivalents	-	-	9,164.27	-	9,164.27	-	-	-	-
Other bank balances	-	-	320.41	-	320.41	-	-	-	-
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	-	4,915.34	4,915.34	-	-	-	-
Security Deposits	-	-	-	3.00	3.00	-	-	-	-
Unpaid dividends	-	-	-	191.73	191.73	-	-	-	-
Trade payables	-	-	-	77,459.59	77,459.59	-	-	-	-
Creditors for capital goods (including MSME creditors)	-	-	-	820.20	820.20	-	-	-	-

As at March 31, 2025

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment In tax free bond (Quoted)	-	-	-	-	-	-	-	-	-
Investment in mutual funds	-	40,412.24		-	40,412.24	40,412.24	-	-	40,412.24
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	4,799.57	-	4,799.57	-	-	-	-
Investment In tax free bond (Quoted)			500.00	-	500.00	536.40	-	-	536.40
Investment in Bonds (Quoted)			30,000.00	-	30,000.00	30,618.78	-	-	30,618.78

(All amounts are in ₹ lakh, unless otherwise stated)

Security Deposits	-	-	411.62	-	411.62	-	-	-	-
Interest accrued but not due on term deposits and bonds	-	-	1,009.68	-	1,009.68	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	115.00	-	115.00	-	-	-	-
Other Receivable			19.37		19.37	-	-	-	-
Trade receivables	-	-	28,465.87	-	28,465.87	-	-	-	-
Cash and cash equivalents	-	-	19,886.59	-	19,886.59	-	-	-	-
Other bank balances	-	-	252.98	-	252.98	-	-	-	-
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	-	5,163.05	5,163.05	-	-	-	-
Security Deposits	-	-	-	12.79	12.79	-	-	-	-
Unpaid dividends	-	-	-	105.82	105.82	-	-	-	-
Trade payables	-	-	-	54,262.83	54,262.83	-	-	-	-
Creditors for capital goods (including MSME creditors)	-	-	-	1,486.36	1,486.36	-	-	-	-

c) The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's board of directors.

d) Fair values are categorised 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 or 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).

There have been no transfers in either direction for the year ended 31 March 2026 and 31 March 2025.

e) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of non-current investment in Bonds has been valued at amortised cost.

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

f) Specific Valuation techniques used to value financial instruments include:

Particulars	Valuation technique	Significant unobservable data	Inter-relationship between fair valuation and significant unobservable data
Investments in mutual fund measured at FVTPL (quoted)	Net asset value ('NAV') technique, as stated by the issuers of these mutual fund units as at Balance Sheet date	Not Applicable	Not Applicable
Fair Value of security deposits paid & received (Other than perpetual security deposits) *	Based on the discounting factor as at reporting date.	Not Applicable	Not Applicable

*Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 44 : Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders and benefits for other stakeholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of total lease liability less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

	As At March 31, 2026	As At March 31, 2025
Lease Liability (Refer to note 18)	4,915.34	5,163.05
Less: Cash and cash equivalents (Refer to note 14)	9,164.27	19,886.59
Net debt (A)	(4,248.93)	(14,723.54)
Equity share capital (Refer to note 16)	1,148.16	574.08
Other equity (Refer to note 17)	1,31,449.22	1,07,291.97
Total Capital (B)	1,32,597.38	1,07,866.05
Capital and net debt (C=A+B)	**1,28,348.45**	**93,142.51**
Gearing ratio (A/C)	**-3.31%**	**-15.81%**

No change were made in the objectives, policies or process for managing capital during the year ended March 31, 2026 and March 31, 2025

Note 45 : Financial Risk Management objectives and policies

The company's principal financial liabilities comprises trade and other payables, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations.

The company's principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. **Credit Risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

(i) **Trade Receivables**

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the company based on credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers, to whom the company grants credit period in the normal course of business including taking credit insurance against export receivables. The company uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

(All amounts are in ₹ lakh, unless otherwise stated)

(ii) Other Financial Assets: The company maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks and investment in mutual funds is managed by the Company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the company's finance committee. The company's maximum exposure to the credit risk as at March 31, 2026 and March 31, 2025 is the carrying value of each class of financial assets.

B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

(a) Financing agreements: The Company had access to the following undrawn borrowing facilities at the end of the year

	As At March 31, 2026	As At March 31, 2025
Floating Rate- Cash credit and other facilities	19,500.00	19,500.00
	19,500.00	**19,500.00**

(b) The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2026

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	820.20	-	-	-	820.20
Trade payables	77,459.59	-	-	-	77,459.59
Lease Liabilities	116.35	178.22	2,453.70	2,167.07	4,915.34
Unclaimed dividends	191.73	-	-	-	191.73
Security deposit		-	-	3.00	3.00
	78,587.87	**178.22**	**2,453.70**	**2,170.07**	**83,389.86**

As at March 31, 2025

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	1,486.36	-	-	-	1,486.36
Trade payables	54,262.83	-	-	-	54,262.83
Lease Liabilities	105.96	141.75	2,140.97	2,774.37	5,163.05
Unclaimed dividends	105.82	-	-	-	105.82
Security deposit	-	-	-	12.79	12.79
	55,960.96	**141.75**	**2,140.97**	**2,787.16**	**61,030.84**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The objective of market risk management is to manage and control market risk exposures withing acceptable parameters, while optimising the return. The Board of Directors is responsible for setting up the policies and procedures to manage risks of the company.

(All amounts are in ₹ lakh, unless otherwise stated)

i) **Foreign Currency risk**

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Changes in exchange rate	Decrease / (Increase) in profit before tax
March 31, 2026	+5%	539.01
	-5%	(539.01)
March 31, 2025	+5%	387.31
	-5%	(387.31)

As at March 31, 2026	US$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	2.03	-	-	-
Foreign currency exposure not hedged (Buy)	114.96	1.68	0.25	-
Derivative contract outstanding	-	-	-	-
	93.85	107.75	0.60	
As at March 31, 2025	**US$**	**EURO**	**JPY**	**GBP**
Foreign currency exposure not hedged (Sell)	5.76	-	-	-
Foreign currency exposure not hedged (Buy)	89.53	1.03	0.25	-
Derivative contract outstanding	-	-	-	-

Note 46 : Analytical ratios

S. No.	Particulars	Numerator	Denominator	Times/ Percentage	Ratios		% Change	Remarks
					As At March 31, 2026	As At March 31, 2025		
1	Current ratio	Current Assets	Current Liabilities	Times	1.98	2.23	-11.4%	NA
2	Debt-equity ratio	Total Debt (represent lease liability)	Total Equity	Times	0.04	0.05	-22.6%	NA
3	Debt service coverage ratio *	Profit after Tax + Finance Cost in profit and loss account + Depreciation and amortization - Profit on sale of PPE	Finance Cost in profit and loss + Finance Cost Capitalised + Lease and Principal Repayments (Long-term)	Times	59.07	93.22	-36.6%	Movement in Debt service coverage ratio is due to increase in interest cost of lease liability and increase in PAT also.
4	Return on equity ratio	Profit after Tax	Average Total Equity	Percentage	28.41%	29.71%	-1.3%	NA
5	Inventory turnover ratio	Revenue from operation	Average Inventory	Times	13.87	14.04	-1.2%	NA
6	Trade receivables turnover ratio	Revenue from operation	Average Trade Receivables	Times	10.50	11.08	-5.3%	NA
7	Trade payables turnover ratio	Purchase of Raw Material + Purchase of Stock-in-Trade	Average Trade Payables	Times	4.04	4.06	-0.6%	NA
8	Net capital turnover ratio	Revenue from operation	Working Capital (i.e. Current Assets - Current Liabilities)	Times	4.13	3.62	14.1%	NA
9	Net profit ratio	Profit after Tax	Revenue from Operation	Percentage	10.06%	11.02%	-0.96%	NA
10	Return on capital employed	Profit before Tax + Finance Cost	Capital employed = Tangible net worth + Total Debts (Including lease liability)	Percentage	33.41%	37.29%	-3.88%	NA
11	Return on investment **	Interest (Finance Income)	Investment	Percentage	5.66%	7.05%	-1.4%	NA
*	Since the company has no borrowings during the year, finance cost represent interest on lease liability and statutory dues							
**	Not annualised							
Note: (1) Reasons have been explained for variance in which % of change is more than 25% as compared to March 31, 2025.								

(All amounts are in ₹ lakh, unless otherwise stated)

Note 47: Sanctioned Working Capital Limits

The Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company and the details are as follows:

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Inventories				
30-Jun-25	17,938.84	17,938.84	-	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as Goods in transit etc.
30-Sep-25	22,823.79	21,336.28	-1,487.51	
31-Dec-25	23,870.86	23,870.86	-	
31-Mar-26	28,244.93	28,244.93	-	
Quarter ended	**Value per books of account**	**Value as per quarterly return/ statement**	**Discrepancy**	**Discrepancy details**
Trade receivables (Net of related party receivables)				
30-Jun-25	26,406.39	26,406.39	-	No Variance
30-Sep-25	32,515.04	32,515.04	-	
31-Dec-25	31,810.69	31,810.69	-	
31-Mar-26	36,226.26	36,226.26	-	
Quarter ended	**Value per books of account**	**Value as per quarterly return/ statement**	**Discrepancy**	**Discrepancy details**
Trade Payables (Net of related party payables)				Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as Goods in transit etc.
30-Jun-25	52,693.15	52,693.15	-0.00	
30-Sep-25	60,011.41	58,510.60	-1,500.81	
31-Dec-25	66,696.62	66,696.62	-	
31-Mar-26	77,459.59	77,459.59	-	

Note 48: Dividend Paid and proposed :

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Declare and Paid During the Year:			
i)	Final Dividend for FY 2024-25: ₹ 32.50 per share (FY 2023-24: ₹ 9.92 per share)	9,328.75	2,847.42
		9,328.75	**2847.42**
	Proposed for Approval at the Annual General Meeting (not recognised as a liability)		
ii)	Final Dividend for FY 2025-26: ₹ 20 per share (FY 2024-25: ₹ 32.50 per share)	11,481.54	9,328.75
		11,481.54	**9,328.75**

Note 49 : Disclosures pursuant to regulation 34 of Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015 and section 186 of the Companies Act, 2013.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Investments made are given under the respective heads (Refer Note No. 7)	4,799.83	4,799.57
	4,799.83	**4,799.57**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 50:

Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the Company is required to use specified methods for computing arm's length price in relation to specified international transactions with its associated enterprises. Further, the Company is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a material impact on the tax expense recorded in these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

Note 51:

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 or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 52: Disclosure of transactions with struck off companies

The company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

Note 53: Assets classified as held for sale

(a) The Company has entered into an agreement with M/s Avadh Rail Infra Limited on February 22, 2025 for sale / transfer of Lease hold rights along with Building pertaining to its Haridwar unit. The transaction is completed during the year.

	As At March 31, 2026	As At March 31, 2025
Assets classified as held for sale (Net value)		
Lease Hold land	-	71.03
Building	-	49.95
Total	**-**	**120.99**

(b) During the previous financial year, certain assets were classified as "Assets Held for Sale" in accordance with the requirements of Indian Accounting Standards 105 – Non-current Assets Held for Sale and Discontinued Operations, as management had committed to a plan to sell the said assets and the sale was considered highly probable.

During the current financial year, the Company completed the sale of such assets. Accordingly, the carrying amount of assets classified as held for sale as at the previous reporting date has been derecognised upon completion of the sale transaction. The resultant gain/loss on sale amounting to ₹ 2240.92 has been recognised in the Statement of Profit and Loss under Exceptional Items/Profit or Loss on Sale of PPE.

	As At March 31, 2026	As At March 31, 2025
Assets classified as held for sale (Net value)		
-Tangible Assets (Net Value)		
Plant & Machinery	-	37.24
Office Equipment	-	1.85
Computer	-	0.50
Furniture & Fixture	-	0.22
Electric Fitting	-	4.56
Total (A)	**-**	**44.37**
Liabilities of Haridwar unit classified as held for sale		
Trade Payable	-	12.82
Other payables	-	0.48
Total (B)	**-**	**13.30**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 54:

A) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

i) Wilful defaulter

ii) Utilisation of borrowed funds & share premium

iii) Borrowings obtained on the basis of security of current assets

iv) Discrepancy in utilisation of borrowings

(e) Any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Note 55: Audit Trail

The Company is maintaining its books of account in electronic mode and the back-up of books of account has been kept on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014, as amended i.e. August 05, 2022 onwards. The Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account. Further, the Company has used payroll software for maintaining payroll records which is operated by a third-party service provider for which company has obtained and relied upon independent service auditors report for compliance & operating effectiveness of audit trail (edit log and backup) feature in the said payroll software, that operated throughout the year for all relevant transactions recorded their in. Also, there is no known instance of audit trail feature being tempered with in respect of the accounting software used by the Company and the audit trail has been preserved by the company as per the statutory requirements for record retention.

Note 56: Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

Note 57:

Figures have been rounded of to the nearest Lakhs upto two decimal places except otherwise stated

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As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

Form AOC- 1

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Amount in Lakhs)

S. No.	Paricular	Description
1	Name of the subsidiary	Uddipt Mobility India Private Limited
2	The date since when subsidiary was acquired	November 22, 2021
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
5	Share capital	0.10
6	Reserves and surplus	-8.65
7	Total assets	0.98
8	Total Liabilities	8.65
9	Investments	Nil
10	Turnover	Nil
11	Profit before taxation	-2.05
12	Provision for taxation	Nil
13	Profit after taxation	-2.05
14	Proposed Dividend	Nil
15	Extent of shareholding (in percentage)	74%
16	Names of subsidiaries which are yet to commence operations	Nil
17	Names of subsidiaries which have been liquidated or sold during the year.	Nil

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1	Name of Associates or Joint Ventures	Relan Industrial Finance Limited	Exhaust Technology Private Limited
2	Latest audited Balance Sheet Date	March 31, 2026	March 31, 2025
3	Date on which the Associate or Joint Venture was associated or acquired	November 15,1993	April 16,2019
4	Shares of Associate or Joint Ventures held by the company on the year end No.	4,90,000	4,75,00,000
6	Amount of Investment in Associates or Joint Venture	49	4,750
7	Extent of Holding (in percentage)	47.12 Percent	50 Percent
8	Description of how there is significant influence	Shareholding	Shareholding
9	Reason why the associate/Joint venture ls not consolidated.	Not Applicable	Not Applicable
10	Net worth attributable to shareholding as per latest audited Balance Sheet	551.56	2,585.50
Profit or Loss for the year			
i	Considered in Consolidation	34.39	125.50
ii	Not Considered in Consolidation	38.60	125.50

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

Place of Signature : New Delhi
Date : May 21, 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Sharda Motor Industries Limited (**hereinafter referred to as "Holding Company"**),** and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associate and joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statement, including a summary of the material accounting policies information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate Company, and joint venture Company as at March 31, 2026, the consolidated Profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Group, its associate Company, and joint venture Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of reports of other auditors and information provided by the Management, referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion on consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	**Valuation of Investments** The Company's investment portfolio constitutes a substantial portion of the Company's total assets as at the reporting date and primarily comprises investments in bonds, mutual funds and fixed deposits. These investments are measured either at amortised cost or at fair value through profit or loss ("FVTPL") in accordance with the applicable accounting standards, based on the contractual terms and business model assessment. Considering the significant proportion of the Company's total assets represented by investments in mutual funds, related party's, bonds and fixed deposits, this area required substantial audit attention. The audit involved detailed procedures to verify the existence and ownership of such investments, assess the appropriateness of their classification and measurement in accordance with the requirements of Ind AS 109, and evaluate the accuracy of valuation based on market-linked data, Net Asset Values ("NAVs"), interest accruals and other relevant inputs as at the reporting date. Further, the audit involved evaluating management's assessment relating to income recognition, valuation and adequacy of disclosures in the financial statements. Owing to the materiality of these balances and the extent of judgment involved, the matter was considered to be a Key Audit Matter.	Our audit procedures included, but were not limited to, the following: **(i) Tests of Controls** Obtained an understanding of the Company's internal control framework relating to investment recognition, classification and valuation, and evaluated the design and implementation of key controls in this area and tested the operating effectiveness of these controls. **(ii) Test of Details** a) Evaluated the appropriateness of the Company's accounting policies relating to classification, recognition and measurement of investments with reference to the requirements of Ind AS 109 Financial Instruments. (b) Verified, on a sample basis, the investment transactions undertaken during the year with supporting documents such as contact notes, investment advices, bank statements and Management approach. (c) For instruments valued at fair value, assessed the fair value calculations of all investments individually, where applicable, to determine whether the valuations performed by the Company are as per available quoted prices in liquid markets and performed testing of inputs used in valuation including checking of mathematical accuracy. (d) For instruments valued at Amortized cost, assessed the business model objective of holding the asset to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Also, assessed the instrument for impairment by evaluating if there is any significant increase in credit risk. (e) Verified accrued interest income on bonds and fixed deposits on a sample basis. (f) Assessed the adequacy and appropriateness of disclosures relating to investments, fair value measurement and financial instruments included in the consolidated financial statements.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
		Conclusion: Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation, and disclosure of the subject matter in consolidated financial statements.
2.	**Recognition of Revenue** In accordance with Ind AS 115 – Revenue from Contracts with Customers, revenue is recognised when control over the promised goods is transferred to the customer and the performance obligations under the contract are satisfied. Revenue is one of the key measures of the Company's performance and is considered a significant audit risk due to the following: **(i)** Revenue being a key performance indicator for stakeholder, creating an inherent risk of management bias or override in timing of recognition. (ii) Significant judgment is involved in determining the timing of transfer of control and appropriate cut-off of revenue transactions, especially for dispatches made near the year end. Accordingly, there is a risk of revenue being recognized in an incorrect accounting period. (iii)The Company's customer arrangements include various pricing terms and commercial adjustments such as rebates, price revisions and recoveries linked to changes in raw material prices. Determination of the transaction price requires significant management judgement and estimation, especially in respect of variable consideration and year-end price adjustments. There is therefore a risk that revenue may not be recognised at the appropriate amount due to complexities involved in estimating such adjustments and assessing their impact on revenue recognised during the year and at the reporting date. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	Our audit procedures included, but were not limited to, the following: **(i) Test of Controls** a) Obtained an understanding and assessed the design, implementation and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition. b) Performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers and management's process & assumptions used in calculation of price variations. **(ii) Test of Details** a) Assessed the appropriateness of the Company's accounting policy for revenue recognition in accordance with Ind AS 115 Revenue from Contracts with Customers and evaluated management's assessment relating to identification of performance obligations, determination of transaction price and timing of transfer of control. b) Selected samples of revenue transactions recorded during the year and verified the same with supporting documents including customer purchase orders, sales orders, tax invoices, dispatch documents, e-way bills, transporter acknowledgements and proof of delivery. c) Performed year-end cut-off testing by examining dispatches and sales transactions recorded immediately before and after the reporting date to assess whether revenue had been recognized in the appropriate accounting period. d) Reviewed significant contracts with customers and assessed pricing clauses, including tooling charges, price revisions. compared the management's post-year-end credit notes or settlements.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
		e) Performed analytical procedures on revenue trends and investigated unusual fluctuations and variances identified during the course of the audit. f) Performed testing of selected manual adjustments and override entries relating to revenue, sales returns and credit notes to assess whether such transactions were appropriately authorized, supported and recorded in the correct accounting period. g) Assessed the adequacy and accuracy of the Company's disclosures related to revenue recognition in the financial statements, as required by Ind AS 115. **Conclusion**: Based on our procedures as mentioned above, we did not identify any findings that are significant for the consolidated financial statements as whole in respect of accounting, presentation and disclosure of revenue recognition. No material exceptions were noted in respect of the related balances and disclosures in the consolidated financial statements.

Information other than Consolidated Financial Statements and Auditor's Reports thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated 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 consolidated 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.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate Company and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the Companies in the Group including its associate Company and joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Companies included in the Group, its associate Company, and joint venture are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group, associate Company and joint venture companies are also responsible for overseeing the financial reporting process of each Company

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 financial controls 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 Group, its associate Company and joint venture Company which are companies incorporated in India, has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associate Company and joint venture Company 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 consolidated 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 Group, its associate Company and joint venture Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associate Company and joint venture Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities consolidated in the consolidated

financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in Other Matters paragraph in this report.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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 consolidated financial statements of the current year 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 Matters

a) The consolidated financial statements include the Holding Company share of net profit (including other comprehensive income) of ₹ 34.39 lakh for the year ended March 31, 2026 (March 31, 2025 ₹ 68.09 lakh), as considered in the consolidated financial statements, in respect of an associate Company, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities is based solely on the reports of the other auditor and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

b) The consolidated financial statements include the Holding Company share of net profit (including other comprehensive income) of ₹ 353.00 lakh for the year ended March 31, 2026 (March 31, 2025 ₹ 179.53 lakh), as considered in the consolidated financial statements, in respect of a joint venture, which have not yet been audited. These financial statements have been certified by the respective management and furnished to us by the Holding Company Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on such management certified financial statement. In our opinion and according to the information and explanations given to us by the Management, the financial statement is not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the management certified financial information.

c) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets (before eliminating of inter-Company transaction of ₹ Nil) of ₹ 0.10 lakh as at March 31, 2026, total revenues (before eliminating of inter-Company transaction of ₹ Nil) ₹ Nil, total net profit after tax (before eliminating of inter-Company transaction of ₹ Nil) of (₹ 2.05 lakh) & total comprehensive income (before of eliminating inter-Company transaction of ₹ Nil) of (₹ 2.05 lakh) for the year ended March 31, 2026 and total net cash inflow of ₹ Nil for the year ended March 31, 2026, as considered in the consolidated financial statements. These financial statements and other information has been audited by other auditor whose report have been furnished to us by the Management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of Regulation read with the Circulars, in so far as it relates to the aforesaid subsidiary, are based on the reports of the other auditor and the procedures performed by us.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in the paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and CARO reports issued by respective statutory auditors of its associate and its subsidiary to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except reported under clause (xviii) of the CARO report issued by the statutory auditor of associate Company and clause (xvii) of the CARO report issued by the statutory auditor of the subsidiary Company. In respect of one of the joint venture Company whose accounts have been furnished to us by the Holding's Management and are unaudited, we are unable to report on the compliance of CARO matters in terms of sub-section (11) of section 143 of the Act.

2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the components (as applicable), as were audited by other auditors and noted in Other Matters Paragraph above. 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 of the aforesaid consolidated financial statements.

(b) In case of the Holding Company, one associate & one subsidiary Company which are Companies incorporated in India, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules 2014. In respect of one of the joint venture Company whose accounts have been furnished to us by the Holding Company's and are unaudited, we are unable to report on the compliance of section 143(3)(b) of the Act.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company and associate Company incorporated in India, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act. In respect of the joint venture Company whose accounts have been furnished to us by the Holding Company's Management and are unaudited, we are unable to report on the compliance of section 164 (2) of the Act.

(f) In case of the Holding Company, one associate & one subsidiary which are companies incorporated in India, the modifications 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. In respect of one of the joint venture Company whose accounts have been furnished to us by the Holding Company's Management and are unaudited, we are unable to report on the compliance of section 143(3)(b) of the Act and 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 Holding Company audited by us and in case of an associate Company and one subsidiary Company incorporated in India whose accounts have been audited by other auditor their reports being furnished to us by the Holding's Management, refer to our separate Report in "**Annexure A**" for operating effectiveness of such controls. In respect of one joint venture Company whose accounts

are unaudited & have been furnished to us by the Holding's Management, we are unable to report on the requirement of Internal Financial Controls over Financial Reporting.

2B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financials of the components (as applicable),as were audited by other auditors and noted in Other Matters Paragraph above:

(a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group, its associate Company, and Joint venture Company - Refer Note No. 40 to the consolidated financial statements.

(b) The Group, its associate Company, and Joint venture 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 Group, its associate Company, and Joint venture Company.

(d) i. The respective Managements of the Holding Company, its associate and one subsidiary Company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate and subsidiary have reported that, to the best of their knowledge and belief, as disclosed in the Note 51 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding or any of such associate and subsidiary to or in any other person or entity, including foreign entity ("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 Holding or any of such associate and subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. In respect of one of the joint venture Company whose accounts have been furnished to us by the Holding Company's Management and are unaudited, we are unable to report on the requirement of Rule 11(e) (i) of the Companies (Audit and Auditors) Rules, 2014;

ii. The respective Managements of the Holding Company, its associate and one subsidiary Company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate and one subsidiary have reported that, to the best of their knowledge and belief, as disclosed in the Note 51 to accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding or such associate and subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding or such associate and subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. In respect of one of the joint venture Company whose accounts have been furnished to us by the Holding Company's Management and are unaudited, we are unable to report on the requirement of Rule 11(e) (ii) of the Companies (Audit and Auditors) Rules, 2014; and

iii. Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associate and subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement. In respect of one of the joint venture Company whose accounts have been furnished to us by the Holding Company's Management and are unaudited, we are unable to report on the requirement of Rule 11(e) (iii) of the Companies (Audit and Auditors) Rules, 2014.

(e) The amount of dividend is in accordance with Section 123 of the Act

i. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in compliance with section 123 of the Act to the extent it applies to payment of dividend. In respect of an associate and one subsidiary Company which are companies incorporated in India, whose financial statements have been audited under the Act, no dividend has been paid by them during the year. In respect of one of the joint venture Company whose accounts have been furnished to us by the Holding's Management and are unaudited, we are unable to report on the requirement of Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014;

ii. As stated in note 48 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of 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. In respect of an associate and one subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, no dividend has been declared by them. In respect of one of the joint venture Company whose accounts have been furnished to us by the Holding's Management and are unaudited, we are unable to report on the requirement of Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014.

(f) Based on our examination which included test checks, and that performed by the respective auditor of the associate Company and one subsidiary Company, which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company, associate Company and subsidiary Company which are companies incorporated in India, have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except for the instances mentioned below.

i. In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

ii. The Holding Company has used payroll software for maintaining payroll records which is operated by a third-party service provider. We have relied upon the report of independent service Auditors report for compliance & operating effectiveness of audit trail (edit log and backup) feature in the said payroll software, that operated throughout the year for all relevant transactions recorded their in.

Further, in case of the Holding Company, one associate Company and one subsidiary Company which are companies incorporated in India, for the period where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of audit trail feature being tampered with. Also, the audit trail has been preserved by the respective Company as per the statutory requirement of record retention. However, in respect of one of the joint venture Company whose accounts have been furnished to us by the Holding Company and are unaudited, we are unable to report on the requirement of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Holding Company and associate Company has paid remuneration to its directors during the year in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act. In respect of one joint venture and one subsidiary Company section 197 of the Companies Act, 2013 is not applicable since none of the Company is a public Company as per definition given under section 2(71) of the Act.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number: 083689
UDIN: 26083689WITTKH7315

Place of Signature: New Delhi
Date: 21.05.2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENT OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Sharda Motor Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company, its associate Company and subsidiary Company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its associate Company and the subsidiary Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control 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 control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the consolidation of reports of the other auditors on internal financial controls with reference to financial statements of associate Company and its subsidiary, as were audited by the other auditors, the Holding Company, its associate Company and the subsidiary Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to associate Company and subsidiary Company, which are companies incorporated in India, is based on written representations received from the directors of the Holding Company in this regard, and the corresponding report of the auditor of such associate Company and subsidiary Company incorporated in India.

Our Opinion is not modified in respect of this matter.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number: 083689
UDIN: 26083689WITTKH7315

Place of Signature: New Delhi
Date: 21.05.2026

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2026

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2026	As At March 31, 2025
I. Assets			
(A) Non-current assets			
(a) Property, plant and equipment	4	22,042.30	19,521.42
(b) Right-of-use assets	39A	4,225.59	4,733.84
(c) Capital work in progress	5A	-	849.47
(d) Other Intangible assets	6	585.53	801.37
(e) Intangible Assets under development	5B	1,430.53	-
(f) Financial assets			
(i) Investments	7A	3,510.76	3,123.38
(ii) Other investments	7B	20,500.76	500.50
(iii) Other financial assets	8	671.14	544.53
(g) Deferred tax assets (net)	9	-	219.98
(h) Non-current tax asset (net)	10A	1,259.66	1,244.89
(i) Other non-current assets	11	1,065.51	2,160.99
Total non-current assets		**55,291.78**	**33,700.37**
(B) Current assets			
(a) Inventories	12	28,244.93	20,722.30
(b) Financial assets			
(i) Investments	7C	89,602.19	70,412.24
(ii) Trade receivables	13	36,226.26	28,465.87
(iii) Cash and cash equivalents	14	9,164.37	19,886.69
(iv) Bank balances other than (iii) above	15	320.41	252.98
(v) Other financial assets	8	765.85	1,011.14
(c) Current tax assets (net)	10B	282.62	-
(d) Other current assets	11	1,613.20	1,068.63
Total current assets		**1,66,219.83**	**1,41,819.85**
(C) Disposal Group (Assets held for sale)	53	-	165.30
Total assets		**2,21,511.61**	**1,75,685.52**
II. Equity and liabilities			
(A) Equity			
(a) Equity share capital	16	1,148.16	574.08
(b) Other equity	17	1,30,154.63	1,05,611.51
(c) Non controlling interest		(2.28)	(1.73)
Total equity		**1,31,300.51**	**1,06,183.86**
(B) Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	4,620.78	4,915.34
(ii) Other financial liabilities	19	3.00	12.79
(b) Provisions	20	1,266.14	1,063.29
(c) Deferred tax liabilities (net)	9	277.99	-
Total non- current liabilities		**6,167.91**	**5,991.42**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	294.56	247.71
(ii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		2,111.68	1,119.65
- Total outstanding dues of creditors other than micro and small enterprises		75,349.07	53,144.45
(iii) Other financial liabilities	19	1,011.93	1,592.18
(b) Other liabilities	21	3,225.88	5,980.61
(c) Provisions	20	2,050.07	1,276.46
(d) Current tax Liabilities (net)	23	-	135.88
Total current liabilities		**84,043.19**	**63,496.94**
(C) **Liabilities included in disposal group held for sale**	53	-	13.30
Total liabilities		**90,211.10**	**69,501.66**
Total equity and liabilities		**2,21,511.61**	**1,75,685.52**
Summary of Material Accounting Policies Information	3		

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Sandeep Dinodia)
Partner
Membership No. 083689

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars		Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Revenue from operations	24	3,39,677.10	2,83,657.09
II	Other income	25	8,598.79	8,328.09
III	**Total income (I+II)**		**3,48,275.89**	**2,91,985.18**
IV	**Expenses**			
	(a) Cost of materials consumed	26	2,54,278.80	2,03,947.43
	(b) Purchases of stock-in-trade	27	6,163.96	5,496.09
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	28	(1,044.61)	181.78
	(d) Employee benefits expense	29	15,996.67	14,742.34
	(e) Finance costs	30	433.15	393.33
	(f) Depreciation and amortization expense	31	6,345.64	5,822.62
	(g) Other expenses	32	22,408.00	19,652.63
	Total expenses		**3,04,581.61**	**2,50,236.22**
V	**Profit before share of profit/(loss) of associate and joint Ventures and exceptional items and tax (III-IV)**		**43,694.28**	**41,748.96**
VI	Share of profit/(loss) of associate (net of tax)		34.39	68.09
VII	Share of profit/(loss) of joint venture (net of tax)		353.00	179.53
VIII	**Profit before exceptional items and tax (V+VI+VII)**		**44,081.67**	**41,996.58**
IX	**Exceptional items**	32(a)	1,815.22	-
X	**Profit before tax (VIII+IX)**		**45,896.89**	**41,996.58**
XI	**Tax expense:**	9		
	(a) Current tax		10,733.61	10,174.98
	(b) Deferred tax		526.63	322.64
	(c) Income tax for earlier Year		96.29	7.35
	Total tax expense		**11,356.53**	**10,504.97**
XII	**Profit for the year (X-XI)**		**34,540.36**	**31,491.61**
XIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss	**33**		
	- Re-measurement gains/ (losses) on defined benefit plans		(113.90)	(48.14)
	- Income tax on items that will not be reclassified to profit or loss		28.67	12.12
	- Share of other comprehensive income of joint venture accounted for using the equity method		-	-
	Items that will be reclassified to profit or loss		-	-
	- Income tax on items that will be reclassified to profit or loss		-	-
	Total other comprehensive income for the year, net of tax		**(85.23)**	**(36.02)**
XIV	**Total comprehensive income for the year, net of tax (XII+XIII)**		**34,455.13**	**31,455.59**
XV	**Profit/(loss) for the year attributable to:**			
	- Owner of the Company		34,540.89	31,491.93
	- Non Controlling Interest		(0.53)	(0.32)
XVI	**Other Comprehensive income for the year attributable to:**			
	- Owner of the Company		(85.23)	(36.02)
	- Non Controlling Interest		-	-
XVII	**Total Comprehensive income for the year attributable to:**			
	- Owner of the Company		34,455.66	31,455.91
	- Non Controlling Interest		(0.53)	(0.32)
XVIII	**Earnings per share: (Face value ₹ 2 per share)**	**34**		
	1) Basic (amount in ₹)		60.17	54.86
	2) Diluted (amount in ₹)		60.17	54.86
Summary of Material Accounting Policies Information		3		

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ lakh, unless otherwise stated)

	Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2026
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	45,896.89	41,996.59
	Adjustments for:		
	Share of (Profit)/loss in Associate, joint ventures & Non controlling interest	(387.39)	(247.62)
	Depreciation and amortization expense	6,345.64	5,822.62
	Finance cost	414.02	248.06
	Interest income	(1,890.70)	(2,262.23)
	Loss / (Gain) on sale of Investments	(1,088.31)	(940.75)
	Amortization of discount/premium on bonds	(2.54)	(222.26)
	Provision for doubtful debts	(80.74)	102.59
	Loss / (Gain) on disposal of property, plant and equipment (net)	(4,083.90)	(1,770.34)
	Provision for advances written back	-	(3.67)
	Warranty Provision written back	145.88	-
	Liabilities no longer required written back	(290.32)	(210.45)
	Fair value Loss/ (gain) on investments at FVTPL (Net)	(3,377.04)	(2,681.77)
	Unrealized loss/(gain) on foreign exchange (net)	313.18	(74.61)
	Operating profit / (loss) before adjustments	**41,914.67**	**39,756.16**
	Movement in working capital:		
	Decrease/(increase) in inventories	(7,522.63)	(1,031.15)
	Decrease/(increase) in trade receivables	(7,674.38)	(5,855.03)
	Decrease/(increase) in other financial assets	(80.27)	(128.64)
	Decrease/(increase) in other assets	(362.59)	(326.71)
	Increase/(decrease) in trade payables	23,167.82	5,063.17
	Increase/(decrease) in other liabilities	(2,682.36)	(531.76)
	Increase/(decrease) in other financial liabilities	76.12	25.60
	Increase/(decrease) in provisions	716.68	244.28
	Cash generated from operating activities	**47,553.07**	**37,215.91**
	Income Tax (paid)/ refund	(11,263.17)	(10,159.68)
	Net cash from operating activities - (A)	**36,289.90**	**27,056.23**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of PPE including capital work-in-progress, & Intangible Assets	(9,170.61)	(9,234.31)
	Proceeds from disposal of property, plant and equipment, and Intangible Assets	5,245.07	3,303.66
	Net Proceeds from sale & Purchase of investments	(35,110.80)	(3,515.98)
	Bank deposits (made)/realised	(12.20)	(30.93)
	Movement in Earmarked balances with banks	(85.91)	405.80
	Interest received	2,120.33	2,255.90
	Net cash used in investing activities - (B)	**(37,014.12)**	**(6,815.88)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest payment of lease liability	(414.02)	(248.06)
	Principal payments of lease liability	(247.71)	(134.85)
	Dividend paid (including taxes)	(9,328.75)	(2,847.42)
	Payment for buyback of shares (including transactions costs and taxes)	-	(23,011.76)
	Transaction cost of bonus issue	(9.70)	-
	Increase/ Decrease in Non controlling interest	(0.54)	(1.73)
	Net cash used in financing activities - (C)	**(10,000.73)**	**(26,243.83)**
	Effect of fair Value changes on Cash & Cash Equivalents (investment in Liquid Fund) - (D)	1.93	55.09
	Effect of exchange differences on restatement of of foreign currency cash and cash equivalents - (E)	0.70	(1.06)
	Net increase / (decrease) in cash and cash equivalents - (A+B+C+D+E)	**(10,722.32)**	**(5,949.46)**
	Cash and cash equivalents at the beginning of the year	19,886.69	25,836.15
	Cash and cash equivalents at the end of the year [refer note 14]	**9,164.37**	**19,886.69**
	Components of cash and cash Equivalents		
	-Cash on hand	0.34	0.06
	-With banks on current accounts	7,655.36	8,224.98
	-With banks on EEFC accounts	6.74	-
	-Liquid Funds	1,501.93	11,661.65
	Total	**9,164.37**	**19,886.69**

The accompanying notes form an integral part of these Consolidated financial statements

Notes:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".

ii) Cash and cash equivalents consist of cash in hand, balances with scheduled banks in current accounts or deposits with original maturity of three months or less and investment in liquid mutual fund (refer note 14).

iii) Cash flows from operating activities include ₹ 716.49 lakh (March 31, 2025: ₹ 592.80 lakh) being expenses towards Corporate Social Responsibility initiatives.

iv) Cash flows from investing activities include non cash transaction of ₹ 10.74 lakh (March 31, 2025: ₹ 10.11 lakh) in respect of unwinding of interest on security deposits.

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

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

(All amounts are in ₹ lakh, unless otherwise stated)

A. Equity Share Capital*

	Amount
Balance As at April 01, 2024	594.63
Shares extinguished on buy-back (Refer Note-16)	(20.55)
Balance As at March 31, 2025	574.08
Change during the year	574.08
Balance As at March 31, 2026	**1,148.16**

B. Other Equity**

Particulars	Reserve & Surplus				
	Capital Reserve	Capital Redemption Reserve (CRR)	General Reserve	Retained Earnings	Total
Balance as at April 01, 2024	**0.20**	**-**	**21,025.68**	**78,968.36**	**99,994.24**
Profit for the year	-	-	-	31,491.93	**31,491.93**
Add : Other comprehensive income for the year, net of tax	-		-	(36.02)	**(36.02)**
Total Comprehensive Income	**-**	**-**	**-**	**31,455.91**	**31,455.91**
Capital Redemption Reserve (CRR)	-	20.56	(20.56)	-	**0.00**
Buy Back of share capital	-	-	(18,479.43)		**(18,479.43)**
Taxes & Transaction cost on buy back of share capital	-	-	(205.29)	(4,306.49)	**(4,511.78)**
Payment of final dividend for the year the FY 2023-24	-	**-**	-	(2,847.42)	**(2,847.42)**
Balance As at March 31, 2025	**0.20**	**20.56**	**2,320.40**	**1,03,270.35**	**1,05,611.51**
Profit for the year	-	**-**	-	34,540.89	**34,540.89**
Add : Other comprehensive income for the year, net of tax	-		-	(85.23)	**(85.23)**
Total Comprehensive Income	**-**	**-**	**-**	**34,455.65**	**34,455.65**
Transfer of Bonus Shares	-	(20.56)	(553.52)	-	**(574.08)**
Transaction cost on bonus issue share			(9.70)		**(9.70)**
Payment of final dividend for the year the FY 2025-26	-	-	-	(9,328.75)	**(9,328.75)**
Balance As at March 31, 2026	**0.20**	**-**	**1,757.18**	**1,28,397.25**	**1,30,154.63**

*** For details, refer note no. 16**

**** For details, refer note no. 17**

Summary of Material Accounting Policies Information 3

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ lakh, unless otherwise stated)

Note 1: Corporate Information

Sharda Motor Industries Limited ("the Holding Company") was incorporated on January 29, 1986 under the Companies Act, having Current Registration Number L74899DL1986PLC023202. The Holding Company is currently listed with Bombay Stock Exchange and National Stock Exchange. It is primarily engaged in the manufacturing and assembly of Auto Components including exhaust systems, catalytic convertors, suspension systems and sheet metal components for the Automotives. The Holding Company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got manufacturing facilities across various locations in different states of India.

Note 2: Basis of preparation of Consolidated Financial statements

2.1 Statement of Compliance:

The Consolidated Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The Consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on May 21, 2026.

2.2 Basis of preparation and presentation:

Basis of Preparation and presentation: The Consolidated financial statements comprises of the financial statement of the Holding company and its associate, joint venture and Subsidiary company as follows:

Name of Company	Relationship	% of Holding
Relan Industrial Finance Limited	Associate	47.12%
Exhaust Technology India Private Limited	Joint Ventures	50%
Uddipt Mobility India Private Limited	Subsidiary	74%

a) The Consolidation in case of Joint Venture and Associate is done based on Equity Method and under the historical cost convention except for certain financial assets and liabilities that are measured at fair value or amortised cost.

b) The consolidation of Subsidiary company is done in accordance with the Ind AS 110 "Consolidated financial statements", on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

c) All assets and liabilities have been classified as current or non-current according to the Holding Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Holding company has ascertained the operating cycle as twelve months for the purpose of current, non-current classification of assets and liabilities.

d) Functional and Presentation Currency

The Consolidated financial statements are presented in ₹ which is its functional & presentational currency and all values are rounded to the nearest lakh upto two decimal places except otherwise stated.

2.3 Basis of Consolidation:

(i) Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iii) below), after initially being recognised at cost.

(ii) Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method of accounting (see note(iii) below), after initially being recognised at cost in the consolidated balance sheet.

(iii) **Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

iv) **Subsidiary**

A subsidiary is an entity that is controlled by another entity (known as the Holding entity). The company has recognized the investment in subsidiary at Cost as per Ind AS 27. The consolidated financial statements of the Holding company and its subsidiary company have been prepared in accordance with the Ind AS 110 "Consolidated financial statements", on a line-by-line basis by following the procedure below:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding company with those of its subsidiary. For this purpose, the income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the investment in subsidiary and correponding portion of equity of subsidiary.

c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are

eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(v) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statements. Inconsistency, if any, between the accounting policies of the associates ,joint venture, and subsidiary company have been disclosed in the notes to accounts.

2.4 Going concern:

The board of directors have considered the financial position of the company as at March, 31 2026 and the projected cash flows and financial performance for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Holding company's operations. The Material accounting policies information in Note 3 are set out below.

2.5 Use of estimates and judgments:

The preparation of consolidated financial statements is 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 and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Holding company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Holding company. Such changes are reflected in the assumptions when they occur. Also, certain judgements were made in applying accounting policies which have an effect on amounts recognized in the consolidated financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements:

- useful life of Property, plant and equipment

- useful life of Intangible assets

- provisions and contingent liabilities

- income taxes

- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2026:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate. (as applicable from year to year)

2.6 Measurement of fair values:

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Holding company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised 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, observable market data is used 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 entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

2.7 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Holding company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.8 Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:

The Ministry of Corporate Affairs (MCA) has notified key amendments to Ind AS effective for the financial year beginning April 1, 2026. These changes focus on enhanced transparency. Most notably regarding debt classification under Ind AS 1. Companies must now classify liabilities as current if loan covenants are breached by the reporting date, as post-balance sheet waivers are no longer permitted to maintain non-current status. These changes also mandate enhanced covenant disclosures, the full adoption of Ind AS 117 by the insurance sector, and early preparation for Ind AS 118 (replacing Ind AS 1), which will require the restatement of FY 2026–27 figures as comparative data for the new presentation framework. The company is assessing impct of these amendment to the current operations and its finacial statements.

2.9 Current versus non-current classification

The assets and liabilities in the consolidated balance sheet are presented based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Note 3: Summary of Material accounting policies Information

3.1 Revenue from Contract with Customer

The Revenue is recognised in accordance with the Indian Accounting Standard-115 (IND AS-115) upon transfer of control of promised goods & services to customers in an amount that reflects the consideration, the company expects to receive in exchange for those products or services.

a) The Holding Company manufactures and trades variety of auto components products. Revenue from contract with customer is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc. The Principal business activities of Associate, Joint venture and subsidiary company are us under-

a. Associate- Relan Industrial Finance Limited-Service Provider of investments

b. Joint Venture- Exhaust Technology India Private Limited-Manufacturing of exhaust systems

c. Subsidiary- Uddipt Mobility India Private Limited-Manufacturing of batteries

Revenue is recognised either at a point in time or over time, when (or as) the Holding Company satisfies performance obligations by transferring the promised goods or services to its customers. Judgement is applied in respect to transactions relating to recognition of point in time of sale of goods. When control is transferred generally on delivery of goods, that significantly affect the determination of anount and timing of revenue from contract with customers.

b) Revenue from Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted

for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities. Sale includes revision in prices received from customers with retrospective effect.

c) Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

d) Variable consideration

If the consideration in a contract includes a variable amount as per Ind AS 115, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

e) Warranty obligations

The Company generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets).

f) Dividend Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

g) Interest Income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

h) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the company performs under the contract.

Cost to obtain a contract

The company does not capitalise costs to obtain a contract because majorly the contracts have terms that do not extend beyond one year. The company does not have a significant amount of capitalized costs related to fulfilment.

3.2 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.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.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development and that are not ready for their intended use as at the balance sheet date.

The items of property, plant and equipment are derecognised upon disposal or when no future economic benifits are expected to arise from continous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company, its cost can be measured reliably with the carrying amount of the replaced part getting derecognised and there is increase of future benefits from the existing asset beyond previously assessed standard of performance. The cost for day-to-day servicing of property, plant and equipment are recognised in consolidated statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. (as applicable)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

Depreciation: Depreciation is provided on pro-rata basis using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management in order to reflect the actual usage of assets.

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	15-20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified
Packaging (Trolleys, Pallets, Crates etc)	5	Not Specified

Addition to existing assets has been depreciated over the useful life of existing assets.

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.

3.3 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware) and Technical Know-How . Computer software which is acquired separately, is recognized

initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the consolidated balance sheet date.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: The useful lives of intangible assets are assesed as either finite or infinite. Intangible assets other than Technical Know-How are amortized on a straight line basis over the estimated life of three years and Technical Know-How is amortised on straight line method over the estimated life of 6 years from the date of capitalisation. The Changes in expected useful life or expected pattern of consumption of future economic benefit embodied in the assets are considered to modify the amortization period or method, as appropriate and are treated as change in accounting estimates.

3.4 Research & Development Costs:

a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.

b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.5 Foreign currencies translations:

Functional and presentational currency

The Company's consolidated financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. The consolidated financial statements are presented in (₹) Rupees, which is the functional currency of the Company and all values are rounded to the nearest lakh with two decimals except otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in consolidated statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in consolidated statement of profit or loss on net basis.

The Holding company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Holding company itself.

Monetary assets and liabilities denominated in foreign currencies as at the Consolidated Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in consolidated statement of profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.6 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. 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 net realizable value is made on an item-by-item basis.

3.7 Leases:

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

Company as a lessee

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

Right-of-use assets

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

Lease liabilities

At the commencement date of the lease, the lease liabilities are recognised measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the incremental borrowing rate is used at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to consolidated profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.8 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in consolidated statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans 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 obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the consolidated statement of profit and loss during the year in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in consolidated profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in consolidated statement of profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the year in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of profit or loss.

3.9 Provisions, Contingent liabilities and contingent assets:

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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the consolidated balance sheet date) 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.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the consolidated statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the consolidtaed statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each consolidated balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

3.10 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Initial Recognition and Classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial Asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

Financial Asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

Financial Asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows “simplified approach” for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the consolidated statement of profit and loss.

Write-off: The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company’s consolidated Balance Sheet) when: (i) The contractual rights to receive cash flows from the asset has expired, or (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial liabilities and equity instruments

Classification of Debt and Equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and in accordance with Ind AS 109 "Financial Instruments" read with Ind AS 32 "Financial Instruments Presentation".

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction shall be accounted as a dedcution from equity**.**

Financial Liability- Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables. The Company do not have any loans & borrowings as at reporting date**.**

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the consilidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss. However, the loans and borrowings are nil at reporting date in the consolidated financial statements.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.11 Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense represents the sum of current tax and deferred tax. The Management periodically reviews and evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation & establishes provision where appropriate.

Current tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.12 Operating segment:

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 CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.13 Asset held for sale and discontinued operations

The non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made and management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

As mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period

3.14 Cash and cash equivalents:

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

3.15 Dividends;

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.16 Earnings per share (EPS):

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 earning 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.

3.17 Impairment of Non financials assets:

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cashgenerating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU'). An impairment loss is recognised, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in a statement of profit and loss. Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications 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. An impairment loss is reversed 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.

3.18 Exceptional assets:

When items of income and expense within a statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such material items are disclosed separately as exceptional items.

3.19 Statement of Cash flow:

The statement of cash flows have been prepared under indirect method, whereby profit or loss 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 items of income or expense associated with investing or financing cash flows.

3.20 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of cost of asset. All other borrowings costs are expensed in the period in which they occur. Borrowing costs also includes exchange differences to the extent regarded as on adjustment to the borrowings costs

Note 4 : Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Building	Plant & Machinery	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at April 01, 2024	**570.58**	**514.58**	**4,726.09**	**35,727.41**	**330.75**	**769.12**	**148.13**	**1,042.92**	**2,010.06**	**45,839.64**
Add: Additions made during the year	-	-	58.76	6,920.61	141.82	158.78	10.75	223.59	94.93	7,609.24
Less: On assets reclassified as held for Sale		79.55	125.72	235.15	4.25	3.39	0.61	14.31	-	462.98
Less: Disposals / adjustments during the year	-	-	-	2,593.98	6.81	4.71	-	6.18	5.94	2,617.62
As at March 31, 2025	**570.58**	**435.03**	**4,659.13**	**39,818.89**	**461.51**	**919.80**	**158.27**	**1,246.02**	**2,099.05**	**50,368.28**
Add: Additions made during the year	-	-	84.54	8,466.48	177.05	139.18	90.78	73.64	265.46	9,297.13
Less: Disposals / adjustments during the year	-	-	-	1,734.65	0.00	4.01	-	-	0.75	1,739.41
As at March 31, 2026	**570.58**	**435.03**	**4,743.67**	**46,550.72**	**638.56**	**1,054.97**	**249.05**	**1,319.66**	**2,363.76**	**57,926.00**
Accumulated depreciation and amortization										
As at April 01, 2024	**-**	**47.65**	**2,294.30**	**21,957.95**	**225.38**	**543.95**	**80.52**	**651.45**	**1,124.37**	**26,925.57**
Add: Depreciation charge for the year	-	5.42	266.87	4,405.73	75.47	170.04	20.53	73.64	285.50	5,303.20
Less: On assets reclassified as held for Sale		8.51	75.77	197.91	2.40	2.88	0.40	9.74	-	297.61
Less: On disposals / adjustments during the year	-	-	-	1,064.90	5.97	3.81	-	4.31	5.31	1,084.30
As at March 31, 2025	**-**	**44.56**	**2,485.40**	**25,100.87**	**292.48**	**707.30**	**100.65**	**711.04**	**1,404.56**	**30,846.86**
Add: Depreciation charge for the year	-	4.54	225.48	4,780.03	93.80	153.71	26.52	96.93	234.07	5,615.08
Less: On disposals / adjustments during the year	-	-	-	573.89	-	3.80	-	-	0.55	578.24
As at March 31, 2026	**-**	**49.10**	**2,710.88**	**29,307.01**	**386.28**	**857.21**	**127.17**	**807.97**	**1,638.08**	**35,883.70**
Net carrying amount										
As at March 31, 2026	**570.58**	**385.93**	**2,032.79**	**17,243.71**	**252.28**	**197.76**	**121.88**	**511.69**	**725.68**	**22,042.30**
As at March 31, 2025	**570.58**	**390.47**	**2,173.73**	**14,718.02**	**169.03**	**212.50**	**57.62**	**534.98**	**694.49**	**19,521.42**

Notes:

a) Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for availing working capital facilities. However, the company has not utilised the working capital limits for the year ended March 31, 2026 (March 31, 2025 : Nil)

b) Refer note no. 40 (b) , for disclosure of capital comittment for acquisition of property, plant and equipment.

c) All the title deeds of immovable properties are held in the name of the company.

d) The lease agreement of the leasehold land is in the name of the company.

e) Refer note no. 53 for the details of the assets classified as held for sale (Net) in March 31, 2025.

Note 5A : Capital Work In Progress

	As At March 31, 2026	As At March 31, 2025
Balance at the beginning of the year	849.47	2.88
Add: Addition made during the year	1,147.89	848.74
Less: Capitalised/adjustments during the year	1,997.36	2.15
Balance at the end of the year	**-**	**849.47**

Notes:

a) Breakup of capital work in progress is as follows:

	As At March 31, 2026	As At March 31, 2025
Plant & Machinery	-	849.47
	-	**849.47**

b) Ageing schedule of CWIP As at March 31, 2026 and As at March 31, 2025:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	-	-	-	-	-
	(848.74)	(0.73)	-	(-)	(849.47)
(ii) Projects temporarily Suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Figures in bracket represents figures for the year ended March 31, 2025.

c) There are no capital-work-in progress As at March 31, 2026 and As at March 31, 2025 whose completion is overdue or has exceeded its cost as compared to its original plan.

Note 5B : Intangible Assets under development

	As At March 31, 2026	As At March 31, 2025
Balance at the beginning of the year	-	-
Add: Addition made during the year	1,430.53	-
Less: Capitalised/adjustments during the year	-	-
Balance at the end of the year	**1,430.53**	**-**

Notes:

a) Breakup of Intangible Assets under development is as follows:

	As At March 31, 2026	As At March 31, 2025
Software (SAP)	714.91	-
Technical Know how	715.62	-
	1,430.53	**-**

b) Ageing schedule of Intangible Assets under development As at March 31, 2026 and As at March 31, 2025:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	1,430.53	-	-	-	1,430.53
	(-)	(-)	(-)	(-)	(-)
(ii) Projects temporarily Suspended		-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Figures in bracket represents figures for the year ended March 31, 2025.

c) There are no capital-work-in progress As at March 31, 2026 whose completion is overdue or has exceeded its cost as compared to its original plan.

Note 6 : Other Intangible Assets

Particulars	Computer Software	Technical Knowhow	Total
Gross carrying amount			
As at April 01, 2024	**428.11**	**2,385.17**	**2,813.28**
Add: Additions made during the year	15.01	**-**	15.01
Less: Adjustments during the year	-	**-**	-
As at March 31, 2025	**443.12**	**2,385.17**	**2,828.29**
Add: Additions made during the year	6.47	-	6.47
Less: Adjustments during the year	-	-	-
As at March 31, 2026	**449.59**	**2,385.17**	**2,834.76**

Particulars	Computer Software	Technical Knowhow	Total
Accumulated amortisation and impairment			
As at April 01, 2024	**372.56**	**1,422.22**	**1,794.78**
Add: Amortisation for the year	34.90	197.24	232.14
Less: Adjustments during the year	-	-	-
As at March 31, 2025	**407.46**	**1,619.46**	**2,026.92**
Add: Amortisation for the year	25.07	197.24	222.31
Less: Adjustments during the year	-	-	-
As at March 31, 2026	**432.53**	**1,816.70**	**2,249.23**
Net carrying amount			
As at March 31, 2026	**17.06**	**568.47**	**585.53**
As at March 31, 2025	**35.66**	**765.71**	**801.37**

Note 7A : Investments (Non-Current)

Equity Investment in Associates , Joint Ventures & subsidiaries		As At March 31, 2026	As At March 31, 2025
I - Investment in Associate			
(Investment Measured at cost)			
In equity shares of Associate (Unquoted, Fully paidup)			
Relan Industrial Finance Limited: 490000 (March 31, 2025: 490000) Equity shares having face value of ₹ 10 each*		460.55	426.16
	(I)	**460.55**	**426.16**
II - Investment in Joint Venture			
(Investment Measured at cost)			
In equity shares of Joint Venture (Unquoted, Fully paidup)			
Unquoted			
Exhaust Technology Private Limited: 47500000 (March 31, 2025: 47500,000) equity shares having face value of ₹ 10 each*		3,050.21	2,697.22
	(II)	**3,050.21**	**2,697.22**
	(I+II)	**3,510.76**	**3,123.38**

** The number of shares in note above represents absolute numbers.*

Information about Associate, Joint Ventures & Subsidiary

Name of the Company	Country of Incorporation	Principal Activities	Proportion (%) of equity interest	
			As At March 31, 2026	As At March 31, 2025
Associate				
Relan Industrial Finance Limited	India	Service provider of investments	47.12	47.12
Joint Venture				
Exhaust Technology India Private Limited	India	Manufacturing of exhaust systems	50.00	50.00
Subsidiary				
Uddipt Mobility India Private Limited	India	Manufacturing of batteries	74.00	74.00

Note 7B : Investments (Non-Current)

Investment In Others

	Face value Absolute Number	As At March 31, 2026	As At March 31, 2025
(Measured at amortised cost)			
In unquoted fully paid -up equity shares			
Unquoted, fully paid up			
7,560 (March 31, 2025: 4,970) Equity shares of ₹ 10 each of Jayanthi Wind farms Private Limited*	10.00	0.76	0.50
Investment In Tax Free Bond (Quoted)			
- 50 (March 31,2025: 50) units NHAI 2030 - Tax free Bond* (Maturity Date: Sep 2030) *	10,00,000.00	500.00	500.00
Investment in Debenture & Bonds (Quoted)			
5000 (March 31, 2025: Nil) Units HDB Financial Services Limited 05-Jan-2028 (Series 218 - Secured NCD) (Maturity Date: Jan 2028)*	1,00,000.00	5,000.00	-
500 (March 31,2025: Nil) Units Tata Capital Ltd 2027 (Maturity Date: July 2027)*	10,00,000.00	5,000.00	-
500 (March 31,2025: Nil) Units Lic Housing Finance Limited NCD (Tranch 359) (Maturity Date: Jan 2028)*	10,00,000.00	5,000.00	-
5000 (March 31,2025: Nil) Units Kotak Mahindra Prime Ltd. 8.08 NCD (Maturity Date: Oct 2027)*	1,00,000.00	5,000.00	-
		20,500.76	**500.50**

** The number of shares in note above represents absolute numbers.*

Note 7C : Investments (Current)

	Face value Absolute Number	As At March 31, 2026	As At March 31, 2025
Investment in Debenture & Bonds (Quoted) (Measured at amortised cost)			
Nil (March 31,2025: 500) units HDFC Bank Ltd. SR AA012 7.70 NCD (Maturity Date: Nov 2025)*	10,00,000.00	-	5,000.00
Nil (March 31,2025: 500) units HDB Financial Services Ltd 6.00% HDB Financial 2025 (Maturity Date: June 2025)*	10,00,000.00	-	5,000.00
Nil (March 31,2025: 500) units HDFC Bank Ltd. 2025 (Maturity Date: Sep 2025)*	10,00,000.00	-	5,000.00
Nil (March 31,2025: 450) units Tata Capital Ltd 2025 (Maturity Date: Dec 2025)*	10,00,000.00	-	4,500.00
Nil (March 31,2025: 5500l) units Kotak Mahindra Investments Ltd 2025 (Maturity Date: Sep 2025)*	1,00,000.00	-	5,500.00
Nil (March 31,2025: 500) units LIC Housing Finance Ltd 2025 (Maturity Date: Aug 2025)*	10,00,000.00	-	5,000.00
5000 (March 31,2025: Nil) units NABARD 2026 (Maturity Date: Dec-2026)*	1,00,000.00	5,000.00	-
Investment In Mutual Funds (Quoted) (Measured at fair value through profit or loss)			
Nil units (March 31,2025: 1,17,07,373.053 units) units SBI Arbitrage Opportunities Fund - Regular Plan - Growth*	10.00	-	3,893.42
55,19,444.724 units (March 31,2025: 2,30,69,919.532 units) units Kotak Equity Arbitrage Fund - Growth Regular Plan*	10.00	2,160.95	8,508.98
Nil units (March 31,2025: 1,72,20,657.088 units) units Invesco India Arbitrage Fund - Growth*	10.00	-	5,409.40
4,29,66,467.4 Units (March31,2025: 4,29,66,467.4 Units) Edelweiss Arbitrage Fund - Direct Plan Growth Option*	10.00	5,865.27	5,497.90
3,80,15,130.874 Units (March 31,2025: 3,80,15,130.874 Units) Bharat Bond Fof - April 2030 - Direct Plan Growth*	10.00	5,859.92	5,585.26
1,81,45,410.21 units (March 31,2025: 1,81,45,410.21 units) ICICI Prudential Corporate Bond Fund - Direct Plan - Growth*	10.00	5,889.82	5,543.69

	Face value Absolute Number	As At March 31, 2026	As At March 31, 2025
85,02,564.402 units (March 31,2025: 1,98,05,664.401 units) HDFC Arbitrage Fund - Wholesale Plan - Regular Plan - Growth	10.00	2,720.65	5,973.59
1,23,25,704.182 Units (March 31,2025: Nil Units) Units Aditya Birla Sun Life Arbitrage Fund - Growth-Direct Plan*	10.00	3,703.62	-
1,74,41,691.854 Units (March 31,2025: Nil Units) Nippon India Arbitrage Fund - Direct Growth Plan Growth Option - Growth*	10.00	5,247.07	-
8,03,05,661.326 Units (March 31, 2025: Nil Units) Kotak Income Plus Arbitrage Fof-Direct Plan-Growth*	10.00	10,322.00	-
5,81,86,497.571 Units (March 31, 2025: Nil Units) Axis Income Plus Arbitrage Active Fof Direct Growth*	10.00	8,875.83	-
1,45,65,178.682 units (March 31,2025: Nil Units) Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth*	10.00	3,177.99	-
49,66,227.97 units (March 31, 2025: Nil units) HDFC Arbitrage Fund-Wholesale Plan - Direct Plan-Growth	10.00	1,050.26	-
1,73,30,661.887 (March 31, 2025: Nil Units) Hsbc Short Duration Fund Direct Plan - Growth	10.00	5,037.17	-
1,63,86,349.718 Units (March 31, 2025: Nil Units) Icici Prudential Equity Arbitrage Fund - Direct Plan - Growth	10.00	6,321.98	-
84,56,923.374 Units (March 31, 2025: Nil Units) Kotak Bond Short Term Fund - Direct Plan - Growth	10.00	5,035.94	-
17,51,508.137 Units (March 31, 2025: Nil Units) Kotak Equity Arbitrage Fund - Direct Plan - Growth	10.00	736.15	-
2,01,51,469.009 units (March 31,2025: Nil units) SBI Arbitrage Opportunities Fund - Direct Plan - Growth	10.00	7,530.57	-
3,19,21,324.082 Units (March 31,2025: Nil Units) Tata Arbitrage Fund Direct Plan Growth	10.00	5,067.00	-
		89,602.19	**70,412.24**
** The number of units in note above represents absolute numbers.*			
Aggregate book value of unquoted investments (net of impairment)		3,511.52	3,123.88
Aggregate value of impairment of investments		-	-
Aggregate book value of quoted investments measured at fair value through profit or loss		84,602.19	40,412.24
Aggregate Market value of quoted investments measured at fair value through profit or loss		84,602.19	40,412.24
Aggregate book value of quoted investments carried at amortised cost		25,500.76	30,500.50
Aggregate market value of quoted investments carried at amortised cost		25,560.00	31,155.18

Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Security deposits *(Refer to note 'a' below)*	496.96	411.62	-	-
Bank Deposits with original maturity of more than 12 months *(refer to note 15)*	145.68	115.00	-	-
Interest accrued - On Fixed deposits & Bonds	28.50	17.91	751.55	991.77
Receivable from related parties *(Refer to note 'b' below)*	-	-	14.30	19.37
	671.14	**544.53**	**765.85**	**1,011.14**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) For detailed related party disclosures, refer note 38.

Note 9 : Income Tax

The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:

Standalone Statement of Profit and Loss:

Profit or loss section

	As At March 31, 2026	As At March 31, 2025
Tax Expense:		
a) Current tax	10,733.61	10,174.98
b) Adjustments in respect of relating to earlier years	96.29	7.35
c) Deferred tax	526.63	322.64
Income tax expense reported in the Standalone statement of profit or loss	**11,356.53**	**10,504.97**

OCI section

Deferred tax related to items recognised in OCI during the year:

	As At March 31, 2026	As At March 31, 2025
Net loss/(gain) on remeasurements of defined benefit plans	(28.67)	(12.12)
Income tax charged to OCI	**(28.67)**	**(12.12)**

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025.

	As At March 31, 2026	As At March 31, 2025
Accounting profit before tax from continuing operations	45,509.50	41,748.96
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2025: 25.168%)	11,453.83	10,507.38
Adjustments in respect of current income tax of previous years	96.29	7.35
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Expenses not deducted for tax purposes	4.81	3.27
Income exempted from income tax	(9.16)	(9.14)
Impact of tax at different tax rate	(397.28)	(155.14)
Corporate Social Responsibility expense	180.33	149.20
Others	27.71	2.05
Total (A)	**11,356.53**	**10,504.97**
Income tax expense reported in Standalone statement of profit & loss (B)	11,356.53	10,504.97
Variance (A-B)	**-**	**-**

b) Deferred tax:

		Consolidated Balance sheet	
		As At March 31, 2026	As At March 31, 2025
Deferred tax assets relates to the following:			
Property, plant and equipment		131.94	332.71
Provision for employee benefits		567.56	373.70
Provision for loss allowance		102.85	123.06
Provision for Slow moving Inventory		-	3.67
Unamortized Premium		27.86	6.94
Lease Liabilities		1,237.09	1,299.44
	(A)	**2,067.30**	**2,139.52**
Deferred tax liability relates to the following:			
Right to use assets		1,063.50	1,191.41
Unamortized Discount		91.80	70.24
Fair valuation of mutual fund		1,186.61	646.29
Security Deposits		3.38	11.60
	(B)	**2,345.29**	**1,919.54**
Total deferred tax assets/(liabilities) (Net)	(A-B)	**(277.99)**	**219.98**

c) The movement between net deferred tax assets /(liabilities) is as under :

	As At April 01, 2025	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2026
Deferred tax assets relates to the following:				
Property, plant and equipment	332.71	(200.77)	-	131.94
Provision for employee benefits	373.70	165.19	28.67	567.56
Provision for Doubtful Debts/Advances	123.06	(20.21)	-	102.85
Provision for Slow moving Inventory	3.67	(3.67)	-	-
Unamortized Premium	6.94	20.92	-	27.86
Lease Liabilities	1,299.44	(62.35)	-	1,237.09
	2,139.52	**(100.89)**	**28.67**	**2,067.30**
Deferred tax liability relates to the following:				
Right to use assets	1,191.41	(127.92)	-	1,063.50
Fair valuation of mutual fund & bonds	646.29	540.32	-	1,186.61
Unamortized Discount	70.24	21.56	-	91.80
Security Deposits	11.60	(8.23)	-	3.38
	1,919.54	**425.73**	**-**	**2,345.29**
Total deferred tax assets/(liabities) (Net)	**219.98**	**(526.63)**	**28.67**	**(277.99)**

	As At April 01, 2024	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2025
Deferred tax assets relates to the following:				
Property, plant and equipment	180.63	152.08	-	332.71
Provision for employee benefits	302.23	59.35	12.12	373.70
Provision for Doubtful Debts/Advances	98.16	24.90	-	123.06
Provision for Slow moving Inventory	-	3.67		3.67
Unamortized Premium	5.93	1.01	-	6.94
Lease Liabilities	595.61	703.83	-	1,299.44
	1,182.56	**944.84**	**12.12**	**2,139.52**
Deferred tax liability relates to the following:				
Right to use assets	499.78	691.64	-	1,191.41
Fair valuation of mutual fund	128.34	517.96	-	646.29
Unamortized Discount	13.29	56.95		70.24
Security Deposits	10.67	0.93	-	11.60
	652.08	**1,267.48**	**-**	**1,919.54**
Total deferred tax assets/(liabiities) (Net)	**530.48**	**(322.64)**	**12.12**	**219.98**

d) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 10 A: Non-Current Tax Asset

	As At March 31, 2026	As At March 31, 2025
Advance Tax	1,259.66	1,244.89
[Net of provision for income tax of ₹ 42,282.61 lakh (March 31, 2025 : ₹ 32,002.63 lakh)]		
	1,259.66	**1,244.89**

Note 10 B : Current Tax Assets (Net)

(Unsecured and considered good, unless otherwise stated)	Current	
	As At March 31, 2026	As At March 31, 2025
Advance Income Tax	282.62	-
[Net of provision for income tax of ₹ 10,733.61 lakh (March 31, 2025 : ₹ Nil)]		
	282.62	-

Note 11 : Other Assets

(Unsecured and considered good, unless otherwise stated)	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Capital advances (refer note 'a' below)	682.85	1,897.76	-	-
Balance with Government Authorities	-	-	17.45	27.64
Balance with Government Authorities - Doubtful			45.86	45.86
Less : Provision for Doubtful Balance			(45.86)	(45.86)
Deposits under protest (refer note 'b' below)	189.52	157.72	-	-
Advances to Suppliers	-	-	528.01	459.22
Advances to Suppliers-Doubtful			27.18	26.74
Less : Provision for loss allowances/advances			(27.18)	(26.74)
Advances to Employees	-	-	44.54	52.33
Prepaid Expenses	68.89	87.53	347.15	340.70
Premium on Bond Purchase -Unamortise	124.25	17.98	198.64	4.02
Other Receivable (refer note 'b' below)	-	-	477.41	184.72
	1,065.51	**2,160.99**	**1,613.20**	**1,068.63**

Notes:

a) For details of Capital commitment, refer Note no. 40 (b)

b) Other Receivables of ₹ 477.41 lakh (March 31, 2025 ₹ 184.72 lakh) includes GST Recoverable on accrual basis of ₹ 132.51 lakh (March 31, 2025 ₹ 182.96), Insurance Claim receivables Rs.343.90 (March 31, 2025 ₹ Nil) lakh and remaining balance pertains to staff imprest account etc.

Note 12: Inventories

	As At March 31, 2026	As At March 31, 2025
Raw Materials	20,295.76	14,690.16
Raw Materials - In Transit	1,305.03	475.81
Work In Progress	2,772.98	2,424.15
Finished Goods (net of provision for slow moving inventory of Nil) (March 31, 2025 -14.55)	1,350.65	1,563.17
Finished Goods in Transit	1,912.75	1,004.45
Stores and Spares	607.76	564.56
	28,244.93	**20,722.30**

Notes:

a) The mode of valuation of inventories has been stated in note 3.6.

b) Inventories have been pledged to secure cash credit facilities from banks. The Holding company has not utilised the working capital limits for the year ended March 31, 2026. (March 31, 2025: Nil).

Note 13 : Trade Receivables

	As At March 31, 2026	As At March 31, 2025
Secured, Considered Good	-	-
Unsecured, Considered Good	36,366.96	28,795.84
Unsecured, Considered credit impaired	194.90	86.37
	36,561.86	28,882.21
Less: Allowance for expected credit loss	335.60	416.34
	36,226.26	**28,465.87**
The movement of allowance for expected credit loss is:		
Balance as at the beginning of the year	416.34	313.75
Change in allowance for credit impairment and expected credit loss (net)	(80.74)	102.59
Balance as at the end of the year	335.60	416.34

a) Trade Receivables Ageing As at March 31, 2026

Particulars	Amount not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	29,304.19	6,976.68	67.88	5.35	1.87	10.99	36,366.96
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	77.63	21.21	96.06	194.90
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**29,304.19**	**6,976.68**	**67.88**	**82.98**	**23.08**	**107.05**	**36,561.86**
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	335.60

b) Trade Receivables Ageing As at March 31, 2025

Particulars	Amount not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	23,263.90	5,201.97	206.83	88.00	35.14	-	28,795.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	86.37	86.37
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**23,263.90**	**5,201.97**	**206.83**	**88.00**	**35.14**	**86.37**	**28,882.21**
Less: Impairment allowance for credit impaired	-	-	-	-	-	-	416.34

c) Trade receivables have been pledged to secure cash credit facilities from banks. However, the company has not utilised the working capital limits for the year ended March 31, 2026 (March 31, 2025 Nil)

d) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

e) The company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 45.

f) For trade receivable due from related parties (Refer note 38).

g) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other persons.

Note 14 : Cash and Cash Equivalents

	As At March 31, 2026	As At March 31, 2025
Balances with banks:		
- on current accounts	7,655.36	8,224.98
- on EEFC accounts	6.74	-
Cash on hand	0.34	0.06
Liquid Mutual Fund		
Nil units (March 31,2025: 4,10,326.983 units) ICICI Prudential Liquid Fund - Growth*	-	1,560.44
Nil units (March 31,2025: 88,119.653 units) TATA liquid fund regular Growth*	-	3,564.71
Nil units (March 31,2025: 28,256.287 units) Kotak Liquid Fund - Regular Plan Growth*	-	1,466.96
3,41,883.82 Units (March 31, 2025: Units 10,55,210) Aditya Birla Sun Life Liquid Fund Regular Plan - Growth*	1,501.93	4,367.35
Nil Units (March 31,2025: 8,000.878 Units) Nippon India Liquid Fund - Growth Plan*	-	501.55
Nil units (March 31,2025: 4,996.433 units) Sbi Liquid Fund Regular Growth*	-	200.64
	9,164.37	**19,886.69**

* The number of units in note above represents absolute numbers.

a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

Note 15 : Bank Balances Other Than Cash and Cash Equivalents

	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Balances with banks:				
Earmarked balance with banks				
Unpaid dividend account	-	-	191.73	105.82
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	-	-	128.68	119.32
Deposits with original maturity of more than 12 months (refer note 'a' below)	145.68	115.00	-	27.84
	145.68	**115.00**	**320.41**	**252.98**
Less: Amount disclosed in "Other Financial Assets" (refer note 8)	145.68	115.00	-	-
	-	**-**	**320.41**	**252.98**

a) The above deposits includes ₹ 274.36 lakh (March 31, 2025 : ₹ 262.16 lakh) which is given against Bank Guarantee to Various Authorities.

Note 16 : Equity Share Capital

	As At March 31, 2026	As At March 31, 2025
Authorised		
250000000 (March 31, 2025: 250000000) equity shares of ₹ 2 each*	5,000.00	5,000.00
Issued, subscribed and fully paid up		
57407706 (March 31, 2025: 28703853) equity shares of ₹ 2 each*	1,148.16	574.08
	1,148.16	**574.08**

*Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2026		As At March 31, 2025	
	No. of Shares*	Amount	No. of Shares*	Amount
Balance as at the beginning of the year	**2,87,03,853**	**574.08**	**2,97,31,630**	**594.63**
Issue/buy back during the year	-	-	(10,27,777)	(20.55)
Balance As at March 31, 2025	**2,87,03,853**	**574.08**	**2,87,03,853**	**574.08**
Bonus share during the year	2,87,03,853	574.08	-	-
Balance As at March 31, 2026	**5,74,07,706**	**1,148.16**	**2,87,03,853**	**574.08**

*Number of Shares are given in absolute numbers

(b) The company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per share. The company declares and pays dividends in Indian rupees. Final Dividend of ₹ 20 per equity share was proposed by the Board of Directors for the year ended March 31, 2026 (March 31, 2025: ₹ 32.50 per equity share). In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate numbers of shares bought back during the period of five years immediately preceding the Balance sheet date:

The shareholders approved the proposal of buy back of equity shares recommended by its Board of Directors by way of e-voting/postal ballot, the results of which were declared on 24 May 2024. The buyback was offered to all equity shareholders/ beneficial owners of the company (including the Promoters, members of the Promoter Group of the company). During this buy back period, the company purchased and extinguished 10,27,777 equity shares at a buy back price of ₹ 1,800 per equity share comprising 3.46% of the pre buy back paid-up equity share capital of the company. The buyback resulted in a cash outflow of ₹ 18,684.72 lakh (including transaction costs of ₹ 205.29 lakh towards buy back). The company funded the buy back from its free reserves. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital redemption reserve' of ₹ 20.56 lakh equal to the nominal value of the shares bought back as an appropriation from retained earnings. The company has also paid corresponding tax on buy-back of ₹ 4,306.49 lakh which is offset from the retained earnings

(d) During the year, the shareholders of the company have approved the bonus issue of 2,87,03,853 Equity Shares having a face value of ₹ 2 (Rupees Two only) each, by capitalizing a sum of ₹ 574.08 Lakhs standing to the credit of capital redemption reserve and general reserve of the company, in the ratio 1:1, i.e., 1 (One) Bonus Equity Share of ₹ 2 each for every 1 (One) existing Equity Share of ₹ 2 each fully paid-up, held by the members of the company as on the record date. Consequently, the paid-up Equity Share Capital of the company has increased to ₹ 1148.16 lakhs divided into 5,74,07,706 Equity Shares of ₹ 2 (Rupees Two only) each and the Earnings Per Share (EPS) for the comparative periods have been restated in accordance with provisions of Ind AS 33 "Earning per share" to reflect the impact of the bonus shares as if the shares were in issued for the entire earlier periods.

e) Details of shareholders holding more than 5% shares in the Company

Name of Party	As At March 31, 2026		As At March 31, 2025	
	No. of Shares*	Holding %	No. of Shares*	Holding %
Mr. Ajay Relan	70,34,488	12.25%	1,67,21,017	58.25%
Mr. Aashim Relan	29,30,422	5.10%	14,65,211	5.10%
SMIL Trust (Ajay Relan Trustee)	2,64,07,546	46.00%	-	-
ICICI Prudential Flexicap Fund	31,37,743	5.47%	-	-

*Number of Shares are given in absolute numbers

f) Disclosure of Shareholdings of Promotors

Promotor's Name	As at March 31, 2026		As at March 31, 2025		'% Change during the year
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	70,34,488	12.25%	1,67,21,017	58.25%	-46.00%
Mrs. Mala Relan	13,270	0.02%	6,635	0.02%	0.00%
Mr. Aashim Relan	29,30,422	5.10%	14,65,211	5.10%	0.00%
Mrs. Indira Chowdhry	5,30,370	0.92%	2,65,185	0.92%	0.00%
SMIL Trust (Ajay Relan Trustee)	2,64,07,546	46.00%	-	-	46.00%

Promotor's Name	As at March 31, 2025		As at March 31, 2024		'% Change during the year
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	1,67,21,017	58.25%	1,73,71,380	58.43%	-0.17%
Mrs. Mala Relan	6,635	0.02%	26,04,130	8.76%	-8.74%
Mr. Aashim Relan	14,65,211	5.10%	15,22,200	5.12%	-0.02%
Mrs. Indira Chowdhry	2,65,185	0.92%	2,65,185	0.89%	0.03%

*Number of Shares are given in absolute numbers

g) There are no shares reserved for issued under options as at reporting date.

Note 17 : Other Equity

	As At March 31, 2026	As At March 31, 2025
Capital Reserve	0.20	0.20
General Reserve	1,757.18	2,320.40
Capital Redemption Reserve (CRR)	-	20.56
Retained Earnings	1,28,397.25	1,03,270.35
	1,30,154.63	**1,05,611.51**

Notes:

I. For Movement during the year in Other Equity, refer "Consolidated Statement of Changes in Equity".

II. Nature and purpose of reserves

a) Capital Reserve

Particulars	As At March 31, 2026	As At March 31, 2025
Balance as at beginning/ end of the year	0.20	0.20

The company recognise profit & loss on sale, purchase, cancellation and forfeiture of the company's own equity instruments to capital reserve.

b) General Reserve

Particulars	As At March 31, 2026	As At March 31, 2025
Balance as at beginning/ end of the year	1,757.18	2,320.40

The company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) Retained Earnings

Particulars	As At March 31, 2026	As At March 31, 2025
Balance as at beginning/ end of the year	1,28,397.25	1,03,270.35

Retained earnings are the profits that has been earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the company are transferred to retained earnings from statement of profit and loss.

d) Capital Redemtion Reserves (CRR)

Particulars	As At March 31, 2026	As At March 31, 2025
Balance as at beginning/ end of the year	-	20.56

In accordance with section 69 of the Companies Act 2013, the Company has created the Capital Redemption Reserves in earlier years equal to the nominal value of shares brought back, as an appropriation from the Reserves of the Company which is utilised in current year for the issue of bonus share.

Note 18 : Lease Liabilities

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Lease liabilities*	4,620.78	4,915.34	294.56	247.71
	4,620.78	**4,915.34**	**294.56**	**247.71**

* for movement during the year, refer note 39B

Note 19 : Other Financial Liabilities

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Security deposit	3.00	12.79	-	-
Unclaimed dividends (refer note (a) below)	-	-	191.73	105.82
Creditors for capital goods-micro and small enterprises	-	-	82.15	165.26
Capital Creditors - others	-	-	738.05	1,321.10
	3.00	**12.79**	**1,011.93**	**1,592.18**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 As at March 31, 2026 (March 31, 2025 : Nil)

Note 20 : Provisions

	Non- Current		Current	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
Provision for Employee Benefits				
- Compensated Absences (refer note 37)	503.91	392.79	322.08	244.95
- Gratuity (refer note 37)	-	-	1,014.83	372.50
Others				
Provision for Warranty (refer note below)	762.23	670.50	713.16	659.01
	1,266.14	**1,063.29**	**2,050.07**	**1,276.46**

Note: Movement for Provision for Warranty

	As At March 31, 2026	As At March 31, 2025
Opening Balance	1,329.51	1,273.10
Add : Provision made during the year	805.97	671.40
Less : Reversed during the year	636.27	547.23
Less : Utilisation during the year	23.82	67.76
Balance at the end of the year	**1,475.39**	**1,329.51**

Note 21 : Other Current Liabilities

	As At March 31, 2026	As At March 31, 2025
Advance from customers	2,094.35	1,446.59
Statutory dues	1,111.04	3,645.12
Provision for Unspent on CSR activities	1.59	73.80
Advance against Assets held for Sale (Refer note 53)	-	700.00
Discount on Purchase of Bond - Unamortise	-	85.67
Other Liabilities*	18.90	29.43
	3,225.88	**5,980.61**

* Other Liabilities primarily include amounts payable on account of employee reimbursements

Note 22 : Trade Payables

	As At March 31, 2026	As At March 31, 2025
- Total outstanding dues of micro and small enterprises	2,111.68	1,119.65
- Outstanding dues of creditors other than micro and small enterprises	75,349.07	53,144.45
	77,460.75	**54,264.10**

a) Trade Payables ageing schedule As at March 31, 2026:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	2,111.68	-	-	-	-	-	2,111.68
(ii) Others	46,578.06	9,491.55	18,572.50	63.63	75.57	567.75	75,349.07
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payables ageing schedule As at March 31, 2025:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	1,119.65	-	-	-	-	-	1,119.65
(ii) Others	29,515.18	7,107.00	15,077.68	824.70	91.30	528.59	53,144.45
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

b) Trade payables are non-interest bearing and are normally settled on 60-day terms (except for MSME). The exposure to currency and liquidity risk related to trade payables is disclosed in note no 41 & note no 45.

c) Payable to related parties amount to ₹ 171.05 lakh (March 31, 2025: ₹ 327.15 lakh)

d) Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006 .

	Capital Creditors		Trade Payables		Total Payables	
	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
- Principal amount due	82.15	165.26	2,111.68	1,119.65	2,193.83	1,284.91
- Interest accrued and due on above	2.39	2.75	16.71	10.46	19.10	13.21
	84.54	**168.01**	**2,128.39**	**1,130.11**	**2,212.93**	**1,298.12**

		Capital Creditors		Trade Payables		Total Payables	
		As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025	As At March 31, 2026	As At March 31, 2025
(i)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year					Nil	Nil
(ii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006					Nil	Nil
(iii)	The amount of interest accrued and remaining unpaid at the end of each accounting year					19.10	13.21
(iv)	The amount of further interest remaining due and payable even in the succeeding year, 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 section 23 of the MSMED Act 2006					Nil	Nil

Note: Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprise Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

Note 23 : Current Tax Liabilities (Net)

	As At March 31, 2026	As At March 31, 2025
Provision for Income Tax	-	135.88
[Net of advance income tax of Nil (March 31, 2025 : ₹ 10040.45 lakh)]		
	-	**135.88**

Note 24 : Revenue from Operations

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Sale of Product		
- Finished goods	3,29,514.63	2,74,741.91
- Traded goods	6,765.01	6,011.25
	3,36,279.64	2,80,753.16
Sale of services	413.65	212.32
Other Operating Revenues		
- Sale of scrap	2,983.81	2,691.61
- Other		
	3,39,677.10	**2,83,657.09**

Notes:

a) Disaggregation of revenue: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread, timing of recognition & customer type of the operations of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year ended March 31, 2026	For the year ended March 31, 2025
India	3,38,416.75	2,81,280.54
Outside India	1,260.35	2,376.55
Revenue from operations	**3,39,677.10**	**2,83,657.09**

Revenue by time	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue recognised at point in time	3,39,677.10	2,83,657.09
Revenue recognised over time	-	-
Revenue from operations	**3,39,677.10**	**2,83,657.09**

Revenue based on Customer-wise	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Related Party	-	-
Non- Related Party	3,39,677.10	2,83,657.09
Revenue from operations	**3,39,677.10**	**2,83,657.09**

b) Amounts included in contract liabilities:

	For the Year ended March 31, 2026	**For the year ended March 31, 2025**
Advance from customers (Refer note-21)	2,094.35	1,446.59
	2,094.35	**1,446.59**

c) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 13.
Further, there are no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;
- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue As at March 31, 2026.
Further, there are no contract liabilities As at March 31, 2026 and March 31, 2025

d) Unsatisfied performance obligations:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

Note 25 : Other Income

	For the Year ended March 31, 2026	**For the Year ended March 31, 2025**
Interest Income		
- Fixed deposits with banks	19.16	46.74
- Interest on tax free bond & other bonds	1,855.58	2,202.64
Profit on sale of current investments designated at FVTPL	1,088.31	940.75
Fair value gain/(loss) on current investments designated at FVTPL	3,377.04	2,681.77
Amortisation of Discount/ (Premium) on Bond	2.54	222.26
Net gain on disposal of property, plant and equipments	1,842.98	1,770.34
Liabilities no longer required written back	290.32	210.45
Provision for advances written back	-	3.67
Miscellaneous income	122.86	249.47
	8,598.79	**8,328.09**

Note 26 : Cost of Raw Material Consumed

	For the Year ended March 31, 2026	**For the Year ended March 31, 2025**
Raw Material		
Balance at the beginning of the year	14,690.16	13,406.17
Add:- Purchases during the year	2,59,884.40	2,05,231.42
Less:- Balance of raw material at the end of the year	20,295.76	14,690.16
Total Raw Material Consumption	**2,54,278.80**	**2,03,947.43**

Note 27 : Purchase of Stock in Trade

	For the Year ended March 31, 2026	**For the Year ended March 31, 2025**
Purchase of stock in trade	6,163.96	5,496.09
	6,163.96	**5,496.09**

Note 28 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

		For the Year ended March 31, 2026	For the Year ended March 31, 2025
Inventories at the beginning of the year			
Finished goods		2,567.62	3,161.75
Work- in- progress		2,424.15	2,011.80
	(A)	**4,991.77**	**5,173.55**
Inventories at the end of the year			
Finished goods		3,263.40	2,567.62
Work- in- progress		2,772.98	2,424.15
	(B)	**6,036.38**	**4,991.77**
(Increase) / Decrease			
Finished goods		(695.78)	594.14
Work- in- progress		(348.83)	(412.36)
(Increase) / Decrease in Inventories (A-B)		**(1,044.61)**	**181.78**

a) The closing stock of finished goods is net off write down of inventories for slow moving inventory of Nil. (March 31, 2025- ₹ 14.55 lakh)

Note 29 : Employee Benefits Expense

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Salaries, wages & other benefits	13,888.48	12,909.18
Contribution to provident and other funds (refer note below & note 37)	706.39	649.00
Gratuity (refer note 37)	188.88	160.01
Leave encashment (refer note 37)	191.52	66.03
Staff welfare expenses	1,021.40	958.12
	15,996.67	**14,742.34**

a) Pursuant to the notification by the Government of India on November 21, 2025 of 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, the "Labour Codes"), which consolidate 29 existing labour laws, and based on the draft Central Rules and FAQs issued by the Ministry of Labour & Employment, the Company has assessed the financial implications arising from the restructured employee compensation framework. Considering the material and non-recurring nature of the incremental impact attributable to the implementation of the Labour Codes, draft rules and related clarifications, the Company has recognised such amount under "Exceptional Items" as "Statutory impact of new Labour Codes" in the Statement of Profit and Loss for the year ended March 31, 2026. The Company continues to evaluate the impact of the finalisation of applicable Central and State Rules and any further governmental clarifications, and will account for consequential effects, on the basis of such developments as needed.

Note 30 : Finance Cost

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Interest on :		
- lease liabilities	414.02	248.06
- delayed payments of MSME creditors	19.10	13.21
- delayed payments of advance tax	-	1.35
- others	0.03	130.71
	433.15	**393.33**

Note 31 : Depreciation and Amortization Expenses

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Depreciation on property, plant and equipment	5,615.08	5,303.20
Amortization of intangible assets	222.31	232.14
Amortization on right-of-use assets	508.25	287.28
	6,345.64	**5,822.62**

Note 32 : Other Expenses

	For the Year ended March 31, 2026	For the Year Ended March 31, 2025
Consumable tools	293.87	198.05
Power & fuel	1,545.16	1,414.44
Hire labour charges	10,008.57	9,193.22
Manufacturing expenses	254.17	192.21
Rent	90.91	58.54
Rates & taxes	41.74	63.57
Repair & maintenance		
- Building	160.72	263.18
- Plant & Equipments	879.73	803.79
- Others	777.89	706.98
Net loss on foreign exchange fluctuation	911.73	252.49
Royalty fees	138.34	127.80
Research & development expenses (refer note 36)	549.18	480.39
Travelling & conveyance	1,360.42	1,268.33
Insurance	264.49	218.42
Communication cost	78.68	68.97
Director's sitting fee	23.90	26.50
Legal & professional expenses	1,530.91	1,133.71
Auditor's remuneration (refer details 'a' below)	43.65	42.35
Corporate Social Responsibility expenses (refer note 35)	716.49	592.80
Provision for Warranty	805.97	
Less: Warranty Provision written back	(636.27) 169.70	124.17
Packing material	421.32	410.98
Freight outward	1,174.75	1,049.97
Miscellaneous expenses	971.68	961.77
Total	**22,408.00**	**19,652.63**

a) Payment to Auditors*	For the Year ended March 31, 2026	For the Year Ended March 31, 2025
As Auditor:		
- Statutory audit fee (including limited review)	32.91	32.91
- Tax audit fee	6.00	6.00
- Certification Fees	3.93	2.75
In Other Capacity:		
- Reimbursement of expenses	0.81	0.69
	43.65	**42.35**

* The payment to auditors above does not includes amount of Nil (March 31, 2025- 2.5 lakh) persuant to transactions of buy back, which is accounted as equity adjustement in Statement of changes in equity.

Note 32(a): Exceptional Items

	For the Year Ended March 31, 2026	For the year ended March 31, 2026
Profit on sale of asset held for sale (Refer note 53b)	2,240.92	-
Impact of leave encashment Past service cost (Refer note 29(a))	(86.16)	-
Impact of gratuity Past service cost (Refer note 29(a))	(339.54)	-
	1,815.22	**-**

Note 33: Components of Other Comprehensive Income

	For the Year ended March 31, 2026	For the Year Ended March 31, 2025
Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	(113.90)	(48.14)
Income tax expense on items that will not be reclassified to profit or loss	28.67	12.12
	(85.23)	**(36.02)**

Note 34: Earnings per share (EPS)

	For the Year ended March 31, 2026	For the Year Ended March 31, 2025
Profit attributable to the equity shareholders **(A)**	34,540.36	31,491.61
Number/Weighted average number of equity shares outstanding at the end of the year **(B)**	**5,74,07,706**	**2,89,43,198**
Nominal value of Equity shares	₹ 2	₹ 2
Basic/Diluted Earning per share (A/B) (in ₹) (Refer note 16d)	60.17	54.86

Note: 35 Details of Corporate Social Responsibility (CSR) expenditure is as follows:

i) The Company's CSR programmes/projects focusses on sectors and issues as mentioned in Schedule VII read with section 135 of the Act. The CSR committee has been formed by the company as per the Act.

ii) Details of amount of expenditure incurred, earmarked & spent during the year

Particulars	For the Year ended March 31, 2026	For the Year Ended March 31, 2025
a) Amount required to be spent by the company	716.49	592.80
b) Amount of expenditure incurred	716.49	592.80
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Purpose for which expenditure incurred		
(i) Construction/acquisitions of any asset	-	-
(ii) On purpose other than (i) above *	714.90	519.00
* Nature of CSR activities includes		
(i) Promoting Health Care including preventive healthcare, Promoting Education, Skill and Livelihood		
(ii) Promoting Education		
f) Amount of CSR provision made during the year	1.59	73.80
Total	**716.49**	**592.80**

Note: The amount in (i) above is paid to Sharda CSR Foundation trust, an entity which is being controlled by the company.

Movement in the provision for corporate social responsibility		
Balance at the beginning of the year	73.80	796.73
Add: provision made during the year	1.59	73.80
Less: amounts adjusted/utilised during the year	73.80	796.73
Balance at the end of the year (Refer note-21)	**1.59**	**73.80**
Amount yet to be transferred to separate bank account	1.59	73.80
Movement of amount in the separate bank account		
Balance at the beginning of the year	-	431.40
Add: amount transferred during the year	73.80	365.33
Less: amount of donation made during the year	73.80	796.73
Balance at the end of the year	**-**	**-**

* The Company has created a provision for unspent amount of ₹ 1.59 lakh in FY 2025-26 (March 31, 2025: ₹ 73.80 lakh) and transferred the same in separate bank account on April 28, 2026 and April 28, 2025 respectively as per notification no. G.S.R. 40(E) and January 22, 2021 issued by the ministry of corporate affairs (MCA).

Note 36: Research & Development Expenses is as follows:

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Research & development expenses include:		
- Travelling expenses	67.23	53.48
- Design, development and other expenses	481.95	426.91
	549.18	**480.39**

Note 37 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Labour Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Standalone Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Employer's Contribution to Provident Fund/ Pension Fund	700.51	636.60
Employer's Contribution to Employee State Insurance	5.27	11.81
Employer's Contribution to Employee Welfare Fund	0.61	0.59
Total	**706.39**	**649.00**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

c) Compensated absences

The Company operates a compensated absences plan under which employees are entitled to avail leave encashment in accordance with the terms of the Company's leave policy. Short-term compensated absences are recognised in the Statement of Profit and Loss based on the expected obligation arising from services rendered by employees up to the reporting date. Long-term compensated absences are recognised based on an actuarial valuation carried out at the reporting date and are classified as an unfunded employee benefit obligation.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d) The following tables summarize the components of net benefit expense (Gratuity) recognised in the Statement of profit and loss and the funded status and amounts recognised in the standalone balance sheet

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation as at the beginning of the year	2,191.66	1,907.77
Add: Interest cost	125.48	120.22
Add: Current service cost	180.55	162.40
Add: Past service cost	339.54	-
Less: Benefits paid	(58.46)	(51.76)
Add: Actuarial (gain) / loss	130.17	53.03
Present value of obligation as at the end of the year	**2,908.95**	**2,191.66**

1) Components of expenses recognised in the standalone statement of profit or loss in respect of:

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Current service cost	180.55	162.40
Past service cost	339.54	-
Interest cost	8.33	(2.39)
Expenses recognised in profit & loss (Refer Note 32(a))	**528.42**	**160.01**

2) Components of expenses recognised in the other comprehensive income in respect of:

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Actuarial (gains) / losses	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	(1.37)	37.36
- experience variance	131.54	15.67
Return on plan assets, excluding amount recognised in net interest expense	(16.27)	(4.89)
Component of defined benefit costs recognised in other comprehensive income	**113.90**	**48.14**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

3) Changes in the fair value of the plan assets are as follows:

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning	1,819.16	1,731.76
Add: Investment income	117.15	122.61
Add: Employer's contribution	-	11.66
Less: Benefits paid	(58.46)	(51.76)
Add: Actuarial gains / (losses) on the plan assets	16.27	4.89
Fair value of plan assets at the end	**1,894.12**	**1,819.16**

4) The principal assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Economic assumptions		
a. Discount rate	6.46%	7.08%
b. Rate of increase in compensation levels	10.00%	10.00%
Demographic assumptions		
a. Expected average remaining working lives of employees (years)	20.03	19.00
b. Retirement Age (years)	58	58
c. Mortality Rate	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**	
Withdrawal Rate		
a. Ages up to 30 Years	29.00%	29.00%
b. Ages from 30-44	29.00%	29.00%
c. Above 44 years	29.00%	29.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

5) Net (assets) / liabilities recognized in the Standalone Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	2,908.95	2,191.66
Fair value of plan assets	1,894.12	1,819.16
Net (assets) / liability	**1,014.83**	**372.50**
Classification into long term and short term:		
- Classified as long term	-	-
- Classified as short term	1,014.83	372.50
Total	**1,014.83**	**372.50**

6) The past service cost recognised in exceptional items in statement of Profit & loss for the year ended March 31, 2026 ₹ 339.54 Lakh (March 31, 2025 nil)

7) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(74.25)	(57.76)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	78.73	61.36
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	72.60	60.06
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(72.03)	(59.29)

C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Further, there are no changes in current year from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis.

8) Maturity profile of defined benefit obligation is as follows:

Particulars	As At March 31, 2026	As At March 31, 2025
	Gratuity (Funded)	Gratuity (Funded)
1 year	253.88	253.88
2 to 5 years	1,825.43	1,366.81
More than 5 years	818.62	657.05

e. Enterprise best estimate of contribution during next year is ₹ 1224.31 lakh (March 31, 2025: ₹ 540.46 lakh).

f. There is no change in the method used in the preparing the sensitive analysis from prior years.

g. Leave Encashment

i) a) Amount recognised in the statement of profit & loss is ₹ 191.52 lakhs (March 31, 2025: ₹ 66.03 lakhs) (Refer note 29)

b) Amount recognised in execptional item for past service cost in statement of profit & loss of ₹ 86.16 lakh (March 31, 2025 Nil) (Refer note 32a).

ii) Closing Liability : Compensated absences	As At March 31, 2026	As At March 31, 2025
-Current	322.08	244.95
-Non-current	503.91	392.79
	825.99	**637.74**

Note 38 : List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
a) Relan Industrial Finance Limited	Associate Company
b) Exhaust Technology Private Limited	Joint Venture Company
c) Uddipt Mobility India Private Limited	Subsidiary Company
a) Shri Kishan N Parikh (Chairperson)	Key Managerial Personnel
b) Smt Sharda Relan (up to 26/09/2024)	
c) Shri Ajay Relan (Managing Director)	
d) Shri Aashim Relan (Chief Executive Officer)	

Name of the Related Party		Relationship
e)	Shri Ashok Kumar Bhattacharya (Director) (up to 02/09/2024)	
f)	Shri Udayan Banerjee (Director)	
g)	Shri Nitin Vishnoi (Whole time Director (WTD & Company Secretary)	
h)	Smt Sarita Dhuper (Director)	
i)	Shri Puru Aggarwal (President & Group CFO) (up to 31/03/2025)	
j)	Shri Navin Paul (Director) w.e.f 02/08/2024	
k)	Shri Ghan Shyam Dass (CFO) w.e.f 01/04/2025	
a)	Smt Mala Relan (spouse of Managing Director)	Relatives of Key Managerial Personnel
b)	Smt Aashita Relan (Daughter of Managing Director)	
c)	Smt Indira Chowdhry(Mother in law of Managing Director)	
a)	Sharda Enterprises	Entities where Directors/Close family members of Directors having control
b)	Sharda Auto Solutions Private Limited	
c)	A.N.I Hospitality LLP	
d)	Sharda CSR Foundation Trust	
e)	AMR AI Digital Private Limited	
f)	SMIL Trust	

(Rs. in lakh)

S. No.	Nature of Transactions	Joint Venture Company	Subsidiary Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
i.	**Remuneration paid**					
	- Ajay Relan				800.53	
		-	-	-	(1,109.71)	-
	-Aashim Relan	-	-	-	159.26	-
					(144.61)	
	-Nitin Vishnoi	-	-	-	163.52	-
					(154.02)	
ii.	**Salary Paid**					
	-Ghan Shyam Dass				225.95	
					(-)	
	-Puru Aggarwal				-	
					(260.49)	
	-Mala Relan	-	-	-		15.36
						(15.36)
iii.	**Reimbursement of Expenses - paid / received**					
	-Ghan Shyam Dass				11.08	
	-Puru Aggarwal				-	
					(41.54)	
	-Navin Paul				13.75	
					(-)	
iv.	**Sitting Fee Paid**					
	-Kishan N Parikh	-	-	-	7.20	-
					(7.95)	
	Ashok Kumar Bhattacharya				-	
					(3.60)	
	-Udayan Banerjee	-	-	-	7.20	-
					(7.95)	
	-Sarita Dhuper	-	-	-	3.00	-

(Rs. in lakh)

S. No.	Nature of Transactions	Joint Venture Company	Subsidiary Company	Entities where Key Directors /Close family members of Directors having control	Management Personnel	Relative of Key Management Personnel
					(3.00)	
	-Navin Paul				6.50	
					(4.00)	
v.	**Reimbursement of Expenses - paid / received**					
	-Ani Hospitality LLP	-	-	-	-	-
				(0.09)		
vi.	**Purchase of goods during the year**					
	-Exhaust Technology Private Limited	-			-	-
		(0.54)	(-)	(-)	(-)	(-)
vii.	**CSR Expenditure paid**					
	-Sharda CSR Foundation Trust			788.70	-	-
				(1,315.73)		
viii.	**Buy Back in Equity Shares**					
	- Ajay Relan				-	
					(11,706.53)	
	- Aashim Relan				-	
		-	-	-	(1,025.80)	
	-Mala Relan					-
			-	-		(1,754.91)
	-Aashita Relan					-
						(63.25)
ix.	**Dividend Paid**					
	- Ajay Relan	-	-	-	1,143.10	
					(1,658.72)	
	- Aashim Relan	-	-	-	476.19	
					(145.35)	
	-Mala Relan	-	-	-		2.16
						(0.66)
	-Aashita Relan	-	-	-		29.36
						(8.96)
	-Smil Trust			4,291.23		
				(-)		
	-Indira Chowdhry	-	-	-		86.19
						(26.31)
x.	**Balance payable as at March 31, 2026**					
	- Ajay Relan	-	-	-	44.17	
					(256.31)	
	-Ghan Shyam Dass				49.19	
					(-)	
	-Nitin Vishnoi	-	-	-	29.05	
					(22.85)	
	-Mala Relan	-	-	-		0.17
						(0.17)
	-Aashim Relan	-	-	-	0.17	
					(0.17)	
	-Kishan N Parikh	-	-	-	0.32	
					(-)	
	-Udayan Banerjee	-	-	-	0.32	
		(-)	(-)	(-)	(-)	
	-Exhaust Technology Private Limited	47.66	-	-	-	-
		(47.66)	(-)	(-)	(-)	(-)

(Rs. in lakh)

S. No.	Nature of Transactions	Joint Venture Company	Subsidiary Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
xi.	**Balance Receivable as at March 31, 2026**					
	-Exhaust Technology Private Limited	51.31	-	-	-	-
		(51.31)				
	-Uddipt Mobility India Private Limited	-	7.25	-	-	-
			(5.07)			

Notes: Terms and conditions of transactions with related parties

i) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free.

ii) The remuneration of Key managerial Personnel does not include amount in repect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of acturial valuation.

iii) Refer note no. 16 for issue of bonus shares to all existing share holders of the Company including KMP in proportion to shares held by the members of the Company as on record date.

Note 39 : Lease Liabilities

Lease contracts entered by the Company majorly pertains for land & Building taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Note 39A : Right-of-Use Assets

Particulars	Land	Land & Building	Vehicle	Total
Gross Carrying Amount				
As at April 01, 2024	**1,049.84**	1,449.10	**34.02**	**2,532.96**
Add: Additions made during the year	-	3,035.36	-	**3,035.36**
Less: Disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2025	**1,049.84**	**4,484.46**	**34.02**	**5,568.32**
Add: Additions made during the year	-	-	-	**-**
Less: Disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2026	**1,049.84**	**4,484.46**	**34.02**	**5,568.32**
Accumulated depreciation and impairment				
As at April 01, 2024	**278.43**	**242.85**	**25.92**	**547.20**
Add: Depreciation charge for the year	55.36	226.52	5.40	**287.28**
Less: On disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2025	**333.79**	**469.37**	**31.32**	**834.48**
Add: Depreciation charge for the year	55.36	450.19	2.70	**508.25**
Less: On disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2026	**389.15**	**919.56**	**34.02**	**1,342.73**
Net carrying amount				
As at March 31, 2025	**660.69**	**3,564.90**	**-**	**4,225.59**
As at March 31, 2026	**716.05**	**4,015.09**	**2.70**	**4,733.84**

Notes:

a) Leasehold Land represents the properties taken on lease for plants at Chakan and Sanand location having lease terms between 20 to 35 years.

b) Leasehold Land & Building represents the properties taken on lease for plant at Chakan having lease terms of 10 years.

c) Leasehold vehicle represents the vehicles taken on lease for offices having lease terms of 5 years.

d) The company also has certain leases with lease terms of 12 months or less. The company has applied the 'short-term lease' recognition exemptions for these leases.

e) The company has not booked any impairement charges for Right of Use of Assets for the year ended As at March 31, 2026 and also As at March 31, 2026.

Note 39B : Lease Liabilities

Movements in carrying value of recognised liabilities

As at April 01, 2024	**2,366.54**
Add: Additions during the year	2,931.40
Add: Interest expense on lease liabilities	248.06
Less: (Disposals) / adjustments during the year	-
Less: Repayment of lease liabilities	382.95
As at March 31, 2025	**5,163.05**
Add: Additions during the year	-
Add: Interest expense on lease liabilities	414.02
Less: (Disposals) / adjustments during the year	-
Less: Repayment of lease liabilities	661.73
As at March 31, 2026	**4,915.34**

	As At March 31, 2026	As At March 31, 2025
Non-current lease liabilities	4,620.78	4,915.34
Current lease liabilities	294.56	247.71
Total lease liabilities	**4,915.34**	**5,163.05**

a) The maturity analysis of lease liabilities is given in Note 45 in the 'Liquidity risk' section.

b) Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities on net basis.

c) There are no leases commited which have not yet commenced as on reporting date.

Note 40: Contingent Liabilities and Commitments

(a) Contingent Liabilities (to the extent not provided for)

The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/ authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

Particulars		As At March 31, 2026	As At March 31, 2025
I	**Income Tax**		
(i)	- Tax demand under section 156 of the Income Tax Act, 1961 raised during the FY 2024-25, CIT (A) with respect to the assessment years 2014-15 to 2024-25	-	15,011.77
(ii)	**- Other Cases**		
	- Tax demand under section 143(3) of the Income Tax Act, 1961 with respect to the assessment years 2017-18 to 2021-22 - CIT(A)	-	333.83

Particulars		As At March 31, 2026	As At March 31, 2025
(iii)	Disputed additions aggregating to ₹ 1220.16 lakh relating to Assessment Years 2018–19 to 2024–25 are presently pending adjudication before the Income Tax Appellate Tribunal (ITAT). The resultant income tax exposure litigation on such disputed additions has been considered as a contingent liability as at the reporting date.		
II	**Other than Income Tax Matters**		
	Disputed State Tax Matters (VAT)	40.93	67.80
	Disputed Service Tax Matters	16.96	16.96
	Disputed GST Matters	1,137.79	375.76
	Disputed Central Excise Matters	440.00	440.00
	Dispute with vendor	50.44	90.44
III	**Irrevocable letter of credit outstanding with banks**		
	i) Foreign LC	6,406.59	8,909.14
	ii) Inland LC	8,909.38	2,340.15

(b) Commitments

Particulars	As At March 31, 2026	As At March 31, 2025
Capital Commitment Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2026: ₹ 682.85 lakh (March 31, 2025 : ₹ 1897.76 lakh))	1,252.80	1,198.45
The Company does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.		

Note 41: Particulars of Unhedged Foreign Currency Exposure

	As At March 31, 2026		As At March 31, 2025	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivable	US$ 1.96 lakh	183.77	US$ 5.76 lakh	492.01
Trade Payables	US$ 114.96 lakh	10,789.57	US$ 89.53 lakh	7,650.84
Trade Payables	EURO 1.68 lakh	181.02	EURO 1.03 lakh	95.21
Trade Payables	JPY 0.25 lakh	0.15	JPY 0.25 lakh	0.140
EEFC Bank Balances	US$ 0.07 lakh	6.74		-

Note 42 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.

2. Major Customer: Revenue from 3 Customers (March 31, 2025: 2 Customers) of the Company's manufacturing & trading business are ₹ 282,334.78 lakh (March 31, 2025: ₹ 210,929.21 lakh) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2026 and March 31, 2025.

Note 43 : Fair value measurements

I **Financial instruments**

a) **Financial instruments by category**

Except Investment in bonds and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and advances, are measured at amortised cost.

b) **Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the financial instruments are classified into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2026

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in mutual funds	-	64,602.19	-	-	64,602.19	64,602.19	-	-	64,602.19
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	3,511.52	-	3,511.52	-	-	-	-
Investment In tax free bond (Quoted)	-	-	500.00	-	500.00	538.50	-	-	538.50
Investment in Bonds (Quoted)	-	-	25,000.00	-	25,000.00	25,021.50	-	-	25,021.50
Security deposits	-	-	496.96	-	496.96	-	-	-	-
Interest accrued but not due on term deposits	-	-	780.05	-	780.05	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	145.68	-	145.68	-	-	-	-
Receivable from related parties	-	-	14.30	-	14.30	-	-	-	-
Trade receivables	-	-	36,226.26	-	36,226.26	-	-	-	-
Cash and cash equivalents	-	-	9,164.37	-	9,164.37	-	-	-	-
Other bank balances	-	-	320.41	-	320.41	-	-	-	-
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	-	4,915.34	4,915.34	-	-	-	-
Security Deposits	-	-	-	3.00	3.00	-	-	-	-
Unpaid dividends	-	-	-	191.73	191.73	-	-	-	-
Trade payables	-	-	-	77,460.75	77,460.75	-	-	-	-
Creditors for capital goods	-	-	-	820.20	820.20	-	-	-	-
	-	**-**	**-**	**83,391.02**	**83,391.02**	**-**	**-**	**-**	**-**

As at March 31, 2025

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment In tax free bond (Quoted)	-	-	-	-	-	-	-	-	-
Investment in mutual funds	-	40,412.24		-	40,412.24	40,412.24	-	-	40,412.24
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	3,123.88	-	3,123.88	-	-	-	-
Investment In tax free bond (Quoted)	-	-	500.00	-	500.00	536.40			536.40
Investment in Bonds (Quoted)	-	-	30,000.00	-	30,000.00	30,618.78			30,618.78
Security Deposits	-	-	411.62	-	411.62	-	-	-	-
Interest accrued but not due on term deposits	-	-	1,009.68	-	1,009.68	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	115.00	-	115.00	-	-	-	-
Receivable from related parties			19.37		19.37				-
Trade receivables	-	-	28,465.87	-	28,465.87	-	-	-	-
Cash and cash equivalents	-	-	19,886.69	-	19,886.69	-	-	-	-
Other bank balances	-	-	252.98	-	252.98	-	-	-	-
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	-	5,163.05	5,163.05	-	-	-	-
Security Deposits	-	-	-	12.79	12.79	-	-	-	-
Unpaid dividends	-	-	-	105.82	105.82	-	-	-	-
Trade payables	-	-	-	54,264.10	54,264.10	-	-	-	-
Creditors for capital goods	-	-	-	1,486.36	1,486.36	-	-	-	-

c) The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the board of directors.

d) Fair values are categorised 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 or 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).

There have been no transfers in either direction For the year Ended March 31, 2026 and March 31, 2025.

e) **Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of non-current investment in Bonds has been valued at amortised cost. Fair values have not been considered for valuation as it is long term in nature and held to maturity.

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

f) Specific Valuation techniques used to value financial instruments include:

Type	Valuation technique	Significant unobservable data	Inter-relationship between fair valuation and significant unobservable data
Investments in mutual fund measured at FVTPL (quoted)	Net asset value ('NAV') technique, as stated by the issuers of these mutual fund units as at Balance Sheet date	Not Applicable	Not Applicable
Fair Value of security deposits paid & received (Other than perpetual security deposits) *	Based on the discounting factor as at reporting date.	Not Applicable	Not Applicable

***Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Holding company and in case of financial asset is the average market rate of similar credit rated instrument. The Holding company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

Note 44 : Capital Management

Equity share capital and other equity are considered for the purpose of capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders and benefits for other stakeholders. The capital structure of the company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of total lease laibility less cash and cash equivalents.Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

	As At March 31, 2026	As At March 31, 2025
Lease Liability (Refer to note 18)	4,915.34	5,163.05
Less: Cash and cash equivalents (Refer to note 14)	9,164.37	19,886.69
Net debt (A)	(4,249.03)	(14,723.64)
Equity share capital (Refer to note 16)	1,148.16	574.08
Other equity (Refer to note 17)	1,30,154.63	1,05,611.51
Total Capital (B)	1,31,302.79	1,06,185.59
Capital and net debt (C=A+B)	**1,27,053.75**	**91,461.95**
Gearing ratio (A/C)	**-3.34%**	**-16.10%**

No change were made in the objectives, policies or process for managing capital during the year ended March 31, 2026 and March 31, 2025

Note 45 : Financial Risk Management objectives and policies

The principal financial liabilities in the consolidated financial statements other than derivatives comprise trade and other payables, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the business operations and to provide guarantees to support its operations.

The principal financial assets includes investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The company has exposure to the following risks arising from financial instruments:

- Credit risk

- Liquidity risk

- Market risk

The senior level management of the Holding Company and the respective management of the components assess these risks and is supported by their Treasury department that advises on the appropriate financial risk governance framework.

A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

(i) Trade Receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the company based on credit approvals, establishing credit limits and continuosly monitoring the credit worthiness of the customers, to whom the company grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The company uses expected credit loss model to assess the impairement loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

(ii) Other Financial Assets: The company maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks and investment in mutual funds is managed by the Company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the company's finance committee. The company's maximum exposure to the credit risk As at March 31, 2026 and March 31, 2025 is the carrying value of each class of financial assets.

B. Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The company closely monitors its liquidity position and deploys a robust cash management system.

(a) Financing agreements-The Company had access to the following undrawn borrowing facilities at the end of the year

	As At March 31, 2026	As At March 31, 2025
Floating Rate- Cash credit and other facilities	19,500.00	19,500.00
	19,500.00	**19,500.00**

(b) The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2026

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	820.20	-	-	-	820.20
Trade payables	77,460.75	-	-	-	77,460.75
Lease Liabilities	116.35	178.22	2,453.70	2,167.07	4,915.34
Unclaimed dividends	191.73	-	-	-	191.73
Security deposit		-	-	3.00	3.00
	78,589.03	**178.22**	**2,453.70**	**2,170.07**	**83,391.02**

As at March 31, 2025

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	1,486.36	-	-	-	1,486.36
Trade payables	54,264.10	-	-	-	54,264.10
Lease Liabilities	105.96	141.75	2,140.97	2,774.37	5,163.05
Unclaimed dividends	105.82	-	-	-	105.82
Security deposit	-	-	-	12.79	12.79
	55,962.24	**141.75**	**2,140.97**	**2,787.16**	**61,032.12**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Holding company's income. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The objective of market risk management is to manage and control market risk exposures withing acceptables parameters, while optimising the return. The Board of Directors is responsible for setting up the policies and procedures to manage risks of the Holding company.

i) Foreign Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's funactional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Changes in exchange rate	Decrease / (Increase) in profit before tax
March 31, 2026	+5%	539.01
	-5%	(539.01)
March 31, 2025	+5%	387.31
	-5%	(387.31)

ii) Exposure to Currency Risk:

As at March 31, 2026	**US$**	**EURO**	**JPY**	**GBP**
Foreign currency exposure not hedged (Sell)*	2.03	-	-	-
Foreign currency exposure not hedged (Buy)	114.96	1.68	0.25	-
Derivative contract outstanding	-	-	-	-

As at March 31, 2025	**US$**	**EURO**	**JPY**	**GBP**
Foreign currency exposure not hedged (Sell)	5.76	-	-	-
Foreign currency exposure not hedged (Buy)	89.53	1.03	0.25	-
Derivative contract outstanding	-	-	-	-

Note 46: Sanctioned Working Capital Limits

The Holding Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are generally in agreement with the books of accounts of the Company and the details are as follows:

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Inventories				
30-Jun-25	17,938.84	17,938.84	-	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as Goods in transit etc.
30-Sep-25	22,823.79	21,336.28	-1,487.51	
31-Dec-25	23,870.86	23,870.86	-	
31-Mar-26	28,244.93	28,244.93	-	

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Trade receivables (Net of related party receivables)				
30-Jun-25	26,406.39	26,406.39	-	No Variance
30-Sep-25	32,515.04	32,515.04	-	
31-Dec-25	31,810.69	31,810.69	-	
31-Mar-26	36,226.26	36,226.26	-	

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Trade Payables (Net of related party payables)				Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as Goods in transit etc.
30-Jun-25	52,693.15	52,693.15	-0.00	
30-Sep-25	60,011.41	58,510.60	-1,500.81	
31-Dec-25	66,696.62	66,696.62	-	
31-Mar-26	77,459.59	77,459.59	-	

Note 47: Subsequent Event

a) Dividend Paid and proposed:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Declare and Paid During the Year:		
i) Final Dividend for FY 2024-25: ₹ 32.50 per share (FY 2023-24: ₹ 9.92 per share)	9,328.75	2,847.42
	9,328.75	**2,847.42**
Proposed for Approval at the Annual General Meeting (not recognised as a liability)		
ii) Final Dividend for FY 2025-26: ₹ 20 per share (FY 2024-25: ₹ 32.50 per share)	11,481.54	9,328.75
	11,481.54	**9,328.75**

Note 48 : Disclosures pursuant to regulation 34 of Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015 and section 186 of the Companies Act, 2013.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Investments made are given under the respective heads (Refer Note No. 7)	3,511.52	3,123.88
	3,511.52	**3,123.88**

Note 49 A : Investments In Associate, Joint Venture & Subsidiary

S. No.	Name of Company and Principal Activities	Relationship	Ownership Interest*	Country of Residence
1	Relan Industrial Finance Limited	Associate	47.12% (47.12%)	India
2	Exhaust Technology Private Limited	Joint Venture	50.00% (50.00%)	India
3	Uddipt Mobility India Private Limited	Subsidiary	74.00% (74.00%)	India

**Ownership Interest in bracket represents for the year ended March 31, 2025.*

Note 49B : Disclosure of the additional information as required by the Schedule III:

a) As at and for the year ended March 31, 2026

Particulars	Net Assets (i.e.Total Assets minusTotal Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Holding Company								
Sharda Motor Industries Limited	100.00%	1,31,301.85	98.89%	34,155.02	100.00%	(85.23)	98.89%	34,069.79
Indian Associates								
Relan Industrial Finance Limited	-	-	0.10%	34.39	-	-	0.10%	34.39
Indian Joint Ventures								
Exhaust Technology Private Limited	-	-	1.02%	353.00	-	-	1.02%	353.00
Indian Subsidiary								
Uddipt Mobility India Private Limited	-0.01%	(6.30)	-0.01%	(2.05)	-	-	-0.01%	(2.05)
Intercompany Elimination & Consolidation Adjustments	0.01%	7.25	-	-	-	-	-	-
Non Controlling Interest in subsidiaries	0.00%	(2.28)	-	-	-	-	-	-
Total	**100.00%**	**1,31,300.51**	**100.00%**	**34,540.36**	**100.00%**	**(85.23)**	**100.00%**	**34,455.13**

b) As at and for the year ended March 31, 2025

Particulars	Net Assets (i.e.Total Assets minusTotal Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Sharda Motor Industries Limited	100.01%	1,06,186.89	99.23%	31,249.06	100.00%	(36.02)	99.23%	31,213.03
Indian Associates								
Relan Industrial Finance Limited	-	-	0.22%	68.09	0.00%	-	0.22%	68.09
Indian Joint Ventures								
Exhaust Technology Private Limited	-	-	0.57%	179.53	0.00%	-	0.57%	179.53
Uddipt Mobility India Private Limited	-0.01%	(6.60)	-	(5.07)	0.00%	-	-0.02%	(5.07)
Intercompany Elimination & Consolidation Adjustments	0.00%	5.30	-	-	-	-	-	-
Non Controlling Interest in subsidiaries	0.00%	(1.73)	-0.02%					
Total	**100.00%**	**1,06,183.86**	**100.00%**	**31,491.61**	**100.00%**	**(36.02)**	**100.00%**	**31,455.58**

Note 50:

Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the Holding company and components are required to use specified methods for computing arm's length price in relation to specified international transactions with its associated enterprises (as applicable). Further, the respective company is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The respective company is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a

material impact on the tax expense recorded in these consolidated financial statements. Accordingly, these consolidated financial statements do not include any adjustments for the transfer pricing implications, if any.

Note 51:

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 Holding company, it's associate, joint venture and subsidiary to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the parent company, it's associate, joint venture and subsidiary (Ultimate Beneficiaries).

The Holding Company, it's associate, joint venture and subsidiary has not received any fund from any party (Funding Party) with the understanding that the holding company, it's associate, joint venture and subsidiary shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the holding company, it's associate, joint venture and subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 52: Disclosure of transactions with struck off companies

The Holding company, it's associate, joint venture and subsidiary did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

Note 53: Assets classified as held for sale (in the books of Holding company)

(a) The Company has entered into an agreement with M/s Avadh Rail Infra Limited on February 22, 2025 for sale / transfer of Lease hold rights along with Building pertaining to its Haridwar unit. The transaction is completed during the year.

	As At March 31, 2026	As At March 31, 2025
Assets classified as held for sale (Net value)*		
Lease Hold	-	71.04
Building	-	49.95
Total	**-**	**120.99**

(b) During the previous financial year, certain assets were classified as "Assets Held for Sale" in accordance with the requirements of Indian Accounting Standards 105 – Non-current Assets Held for Sale and Discontinued Operations, as management had committed to a plan to sell the said assets and the sale was considered highly probable.

During the current financial year, the Company completed the sale of such assets. Accordingly, the carrying amount of assets classified as held for sale as at the previous reporting date has been derecognised upon completion of the sale transaction. The resultant gain/loss on sale amounting to ₹ 2240.92 has been recognised in the Statement of Profit and Loss under Exceptional Items/Profit or Loss on Sale of PPE.

	As At March 31, 2026	As At March 31, 2025
Assets classified as held for sale (Net value)		
-Tangible Assets (Net Value)		
Plant & Machinery	-	37.24
Office Equipment	-	1.85
Computer	-	0.50
Furniture & Fixture	-	0.22
Electric Fitting	-	4.56
Total (A)	**-**	**44.37**
Liabilities of Haridwar unit classified as held for sale		
Trade Payable	-	12.82
Other payables	-	0.48
Total (B)	**-**	**13.30**

Note 54:

A) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

i) Wilful defaulter

ii) Utilisation of borrowed funds & share premium

iii) Borrowings obtained on the basis of security of current assets

iv) Discrepancy in utilisation of borrowings

(e) Any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Note 55: Audit Trail

The Holding Company, their respective associate Company and subsidiary Company are maintaining its books of account in electronic mode and the back-up of books of account has been kept on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014, as amended i.e. August 05, 2022 onwards. The respective Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in holding company the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account. Further, the holding company has used payroll software for maintaining payroll records which is operated by a third-party service provider for which holding company has obtained and relied upon independent service auditors report for compliance & operating effectiveness of audit trail (edit log and backup) feature in the said payroll software, that operated throughout the year for all relevant transactions recorded their in. Further, there is no known instance of audit trail feature being tempered with in respect of the accounting software used and the audit trail has been preserved as per the statutory requirements for record retention.

Note 56: Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

Note 57:

Figures have been rounded of to the nearest Lakhs upto two decimal places except otherwise stated

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As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 21, 2026
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

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