SML Mahindra Limited
Trucks & Buses

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

SML/SEC/2026-27-075
17th November, 2026

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

Subject: Submission of Letter of Offer for the Rights Issue of Fully Paid-up Equity Shares of SML Mahindra Limited ("Company")

Dear Sir/Madam,

In compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and SEBI Circular bearing ref. no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31 dated 11th March 2025, please find enclosed Letter of Offer as approved by Board of Directors of SML Mahindra Limited in its Meeting held on 16th November, 2026 including the Record Date, Issue Price, Rights Entitlement Ratio and other terms and conditions of the Rights Issue.

Further, a copy of the Letter of Offer is also being filed with the Securities and Exchange Board of India ("SEBI") for information and in compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

This intimation is also being uploaded on the Company's website and can be accessed at the weblink: https://smlmahindra.com/.

Thanking you,

For SML MAHINDRA LIMITED
(Formerly SML ISUZU Limited)

PARVESH MADAN
Digitally signed by PARVESH MADAN
Date: 2026.11.17 19:56:39 +05'30'

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

SML MAHINDRA LIMITED (*formerly known as SML Isuzu Limited*)

SML Mahindra Limited (*formerly known as SML Isuzu Limited*) ("**Company**" or "**Issuer**") was originally incorporated at Mohali, as "Swaraj Vehicles Limited" on July 26, 1983 as a public limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Thereafter, our Company received its certificate of commencement of business from Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar on September 12, 1983. Subsequently, the name of our Company was changed to "*Swaraj Mazda Limited*" and a fresh certificate of incorporation consequent upon change of name was granted to our Company by Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar on November 27, 1984. Subsequently, pursuant to a resolution passed by our Board on October 1, 2010 and by our Shareholders on November 18, 2010, the name of our Company was changed from '*Swaraj Mazda Limited*' to '*SML Isuzu Limited*' and a fresh certificate of incorporation consequent to the change in name of our Company was issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Chandigarh on January 3, 2011. Further, pursuant to the board resolution dated August 19, 2025 and shareholders' resolution dated September 26, 2025 the name of our Company was changed from '*SML Isuzu Limited*' to '*SML Mahindra Limited*' and a fresh certificate of incorporation consequent upon change of name was granted on October 8, 2025, by the Registrar of Companies, Central Processing Centre. For details in relation to the changes in name and registered office of our Company, see "*General Information*" beginning on page 36.

Registered Office: Village Asron District, Shahid Bhagat Singh Nagar, Nawanshahr, Punjab -144 533, India
Corporate Office: 1st Floor, T7 Tech Park C-119, Industrial Area, Phase 7, Sector 73, Mohali, SAS Nagar, Punjab – 160 055, India
Tel: 0172-2647700-02; **Contact Person**: Parvesh Madan, Company Secretary and Compliance Officer **E-mail**: investors@smlmahindra.com;
Website: https://smlmahindra.com/
Corporate Identity Number: L50101PB1983PLC005516

PROMOTER OF OUR COMPANY: MAHINDRA & MAHINDRA LIMITED

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF SML MAHINDRA LIMITED (*FORMERLY KNOWN AS SML ISUZU LIMITED*) (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO 4,134,756* FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 3,506.00 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 3,496.00 PER RIGHTS EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 1,449.65 CRORES* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 (TWO) FULLY PAID-UP RIGHTS EQUITY SHARE FOR EVERY 7 (SEVEN) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON NOVEMBER 20, 2026 ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, SEE "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 74.

**Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.*

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the section "*Risk Factors*" beginning on page 16.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). Our Company has received "in-principle" approvals from NSE and BSE for listing the Rights Equity Shares through their letters each dated November 16, 2026. Our Company will also make applications to NSE and BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purposes of the Issue, the Designated Stock Exchange is NSE.

REGISTRAR TO THE ISSUE

KFIN TECHNOLOGIES LIMITED
Selenium Tower-B, Plot No. 31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad, Telangana– 500 032, India
Telephone: +91 40 67162222/ 1800 309 4001
E-mail: smlmahindra.rights@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Williams R
SEBI registration no.: INR000000221

ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	**MONDAY, 23 NOVEMBER, 2026**
ISSUE OPENING DATE	**TUESDAY, 1 DECEMBER, 2026**

LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS*	**FRIDAY, 4 DECEMBER, 2026**
ISSUE CLOSING DATE**	**WEDNESDAY, 9 DECEMBER, 2026**
DATE OF FINALISATION OF BASIS OF ALLOTMENT	**THURSDAY, 10 DECEMBER, 2026**
DATE OF ALLOTMENT	**THURSDAY, 10 DECEMBER, 2026**
DATE OF CREDIT OF RIGHTS EQUITY SHARES	**FRIDAY, 11 DECEMBER, 2026**
DATE OF LISTING	**MONDAY, 14 DECEMBER, 2026**

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees one day prior to the Issue Closing Date.*

***Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates, or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rule, guideline, clarification or policy shall be to such legislation, act, regulation, rule, guideline or policy as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive. However, terms used in the sections entitled "Summary of this Letter of Offer", "Risk Factors", "Financial Statements", "Statement of Special Tax Benefits", "Terms of the Issue" on pages 14, 16, 59, 51, and 74 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
"Company", "our Company", "the Company", "the Issuer" or "SML"	SML Mahindra Limited (*formerly known as SML Isuzu Limited)*, a public limited company, incorporated under the Companies Act, 1956, and having its registered office at Village Asron District, Shahid Bhagat Singh Nagar, Nawanshahr, Punjab -144 533, India.
"We", "Our" or "Us"	Unless the context otherwise indicates or implies or unless otherwise specified, refers to our Company.

Company Related Terms

Term	Description
"Articles of Association" or "Articles"	Articles of association of our Company, as amended from time to time.
"Audit Committee"	Audit committee of our Board of Directors.
"Auditors" or "Statutory Auditors"	The current statutory auditors of our Company, being B S R & Co. LLP, Chartered Accountants.
"Board of Directors" or "Board" or "our Board" or "Directors"	The board of directors of our Company. For details, see "*Our Management – Board of Directors*" on page 57.
"Chairman"	The chairman of our Company, Vinod Kumar Sahay. For details, see "*Our Management - Board of Directors*" on page 57.
"Chief Financial Officer" or "CFO" or "Interim Chief Financial Officer"	The interim chief financial officer of our Company, Manaswini Goel.
"Company Secretary and Compliance Officer"	The company secretary and compliance officer of our Company, Parvesh Madan, appointed to perform the functions of a "company secretary" under Section 203 of the Companies Act, 2013. For details, see "*General Information – Company Secretary and Compliance Officer*" on page 36.
"Corporate Office"	The corporate office of our Company is located at 1st Floor, T7 Tech Park C-119, Industrial Area, Phase 7, Sector 73, Mohali, SAS Nagar, Punjab – 160 055, India.
"Equity Shares"	Equity shares of face value of ₹10 each of our Company.
"Executive Director"	The executive Director of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Executive Director, see "*Our Management – Board of Directors*" on page 57.
"Fiscal 2026 Audited Financial Statements" or "Audited Financial Statements"	Fiscal 2026 Audited Financial Statements of our Company that comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income/ Loss), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.
"Independent Chartered Accountants"	P Y S & Co. LLP, Chartered Accountants and B G S S & Associates, Chartered Accountants.
"Independent Director(s)"	The non-executive, independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Independent Directors, see "*Our Management – Board of Directors*" on page 57.
"Key Managerial Personnel"	Key managerial personnel of our Company determined in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations.
"Materiality Threshold"	An amount equivalent to 5% of the average absolute value of profit or loss after tax for Fiscals 2026, 2025 and 2024, which is determined to be ₹ 6.49 crores, being the lower of (i) 2% of turnover as per the Fiscal 2026 Audited Financial Statements, (ii) 2% of net worth as per the Fiscal 2026 Audited Financial Statements, and (iii) 5% of the average absolute value of profit or loss after tax, as per the Audited Financial Statements of our Company for Fiscals 2026, 2025 and 2024, determined by our Board in conformity with the '*Policy for Determination of Materiality of Disclosures'* framed in

Term	Description
	accordance with Regulation 30 of the SEBI LODR Regulations and adopted by our Board vide the resolution dated October 18, 2025.
"Memorandum of Association" or "Memorandum"	Memorandum of association of our Company, as amended from time to time.
"Nomination and Remuneration Committee"	Nomination and remuneration committee of our Board of Directors.
"Non-Executive Director(s)"	The non-executive Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Non-Executive Directors, see "*Our Management – Board of Directors*" on page 57.
"Promoter" or "M&M"	The promoter of our Company being, Mahindra & Mahindra Limited.
"Promoter Group"	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations.
"Registered Office"	The registered office of our Company is located at Village Asron District, Shahid Bhagat Singh Nagar, Nawanshahr, Punjab -144 533, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Punjab and Chandigarh at Chandigarh.
"Rights Issue Committee"	The rights issue committee, being the sub-committee of our Board of Directors.
"Senior Management"	Senior management personnel of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations.
"September Unaudited Financial Results"	The unaudited financial results of the Company for the six months ended September 30, 2025 and September 30, 2026 prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India along with Limited Review Report issued by the Statutory Auditors of our Company.
"Stakeholders' Relationship Committee"	Stakeholders' relationship committee of our Board of Directors.

Issue Related Terms

Term	Description
"Additional Rights Equity Shares"	The Rights Equity Shares applied for or allotted under this Issue in addition to the Rights Entitlement.
"Allotment Account Bank"	Bank which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Kotak Mahindra Bank Limited.
"Allotment Account"	The account opened with the Banker to the Issue, into which the Application Money, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
"Allotment Advice"	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue after approval of the Basis of Allotment by the Designated Stock Exchange.
"Allotment Date"	Date on which the Allotment is made pursuant to the Issue.
"Allotment" or "Allot" or "Allotted"	Allotment of Rights Equity Shares pursuant to the Issue.
"Allottee(s)"	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue.
"Applicant(s)" or "Investor(s)"	Eligible Equity Shareholder(s) and/or Renouncee(s), to the extent applicable under the applicable law, who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer.
"Application"	Application made through submission of the Application Form or plain paper application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
"Application Form"	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in the Issue.
"Application Money"	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSBs to block the Application Money in a specified bank account maintained with the SCSB.
"ASBA Account"	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application.
"ASBA Circulars"	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI ICDR Master Circular (to the extent it pertains to the rights issue process) and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
"Banker to the Issue"	Collectively, escrow collection bank, Allotment Account Bank and the Refund Bank, which is Kotak Mahindra Bank Limited.
"Banker to the Issue Agreement"	Agreement dated November 6, 2026, entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for among other things, collection of the Application Money from

Term	Description
	Applicants/Investors and transfer of funds to the Allotment Account, on the terms and conditions thereof.
"Basis of Allotment"	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in "*Terms of the Issue*" beginning on page 74.
"Controlling Branches" or "Controlling Branches of the SCSBs"	Such branches of the SCSBs the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI's website, updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
"Demographic Details"	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
"Designated Branch(es)"	Such branches of the SCSBs which shall collect the Applications, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time.
"Designated Stock Exchange"	National Stock Exchange of India Limited
"Draft Letter of Offer" or "DLOF"	The draft letter of offer dated November 6, 2026 filed with the Stock Exchanges.
"Eligible Equity Shareholder(s)"	Equity Shareholders as on the Record Date. Please note that only those Equity Shareholders who have provided an Indian address to our Company are eligible to participate in the Issue. For further details, see "*Notice to Investors*" and "*Restrictions on Purchases and Resales*" beginning on pages 7 and 99, respectively.
"Equity Shareholder(s)" or "Shareholders"	Holder(s) of the Equity Shares of our Company.
"Fraudulent Borrower"	Fraudulent Borrower(s) as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
"Gross Proceeds"	The gross proceeds raised through the Issue.
"Issue"	This issue of up to 4,134,756* Rights Equity Shares for cash at a price of ₹ 3,506.00 per Rights Equity Share (including a premium of ₹ 3,496.00 per Rights Equity Share) aggregating up to ₹1,449.65 crores* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 2 (two) Rights Equity Share for every 7 (seven) Equity Shares held by the Eligible Equity Shareholders on the Record Date. **Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.*
"Issue Closing Date"	December 9, 2026
"Issue Materials"	Collectively, the Draft Letter of Offer, this Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue.
"Issue Opening Date"	December 1, 2026
"Issue Period"	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
"Issue Price"	₹ 3,506.00 per Rights Equity Share.
"Issue Proceeds"	The gross proceeds raised through the Issue.
"Issue Size"	The issue of up to 4,134,756 Rights Equity Shares aggregating up to ₹ 1,449.65 crores*. **Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.*
"Letter of Offer" or "LOF"	This final letter of offer to be filed with the Stock Exchanges.
"Listing Agreements"	The uniform listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI LODR Regulations.
"Monitoring Agency"	CARE Ratings Limited
"Monitoring Agency Agreement"	Agreement dated November 6, 2026, between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds.
"Multiple Application Forms"	More than one application form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However, additional applications in relation to Additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications.
"Net Proceeds"	Issue Proceeds less the estimated Issue related expenses. For further details, see "*Objects of the Issue*" beginning on page 41.
"Off Market Renunciation"	The renunciation of Rights Entitlements undertaken by the Investor by transferring its Rights Entitlements through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee one day prior to the Issue Closing Date.
"On Market Renunciation"	The renunciation of Rights Entitlements undertaken by the Investor by trading its Rights Entitlements over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before December 4, 2026.
"Qualified Institutional Buyers" or "QIBs"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.

Term	Description
"Record Date"	Designated date for the purpose of determining the Equity Shareholders who would be eligible to apply for the Rights Equity Shares in the Issue subject to terms and conditions set out in the Issue Materials, to be decided prior to the filing of this Letter of Offer, being November 20, 2026.
"Refund Bank"	The Banker to the Issue with whom the refund account will be opened, in this case being Kotak Mahindra Bank Limited.
"Registrar Agreement"	Agreement dated November 6, 2026, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
"Registrar" or "Registrar to the Issue" or "Registrar and Share Transfer Agent"	KFin Technologies Limited
"Renouncee(s)"	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation in accordance with the SEBI ICDR Master Circular.
"Renunciation Period"	The period during which the Eligible Equity Shareholders can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Friday, December 4, 2026, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee one day prior to the Issue Closing Date.
"Rights Entitlement Letter"	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The details of Rights Entitlements are also accessible on the website of our Company.
"Rights Entitlement(s)"	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 2 (two) Rights Equity Share for every 7 (seven) Equity Shares held by an Eligible Equity Shareholder on the Record Date.
"Rights Equity Shareholders"	Holder of the Rights Equity Shares pursuant to this Issue.
"Rights Equity Shares"	Equity Shares of our Company to be Allotted pursuant to this Issue, on a fully paid-up basis on Allotment.
"SCSB(s)"	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or such other website as updated from time to time.
"Specific Investor(s)"	Regulation 77B of the SEBI ICDR Regulations defines specific investor(s) as any investor who is eligible to participate in the Issue (a) whose name has been disclosed by the Company in terms of regulation 84(1)(f)(i) of the SEBI ICDR Regulations; or (b) whose name has been disclosed by the Company in terms of sub-clause 84(1)(f)(ii) of the SEBI ICDR Regulations.
"Stock Exchanges"	Stock exchanges where the Equity Shares are presently listed *i.e.* BSE and NSE.
"Transfer Date"	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
"Wilful Defaulter"	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
"Working Days"	All days on which commercial banks in Maharashtra and Punjab are open for business. Further, in respect of the Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Maharashtra and Punjab are open for business. Furthermore, in respect of the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupee.
"Aadhaar"	Aadhaar card.
"AGM"	Annual general meeting of the Shareholders of our Company.
"AIF(s)"	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
"Basic EPS"	Net Profit for the year attributable to owners of the Company/ weighted average number of Equity Shares outstanding during the year.
"BSE"	BSE Limited.
"Calendar Year"	Calendar year ending December 31.
"Category I AIF"	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.
"Category I FPIs"	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
"CBDT"	Central Board of Direct Taxes, Government of India.
"CDSL"	Central Depository Services (India) Limited.
"Central Government"	Central Government of India.
"CIN"	Corporate identity number.
"Client ID"	The client identification number maintained with one of the Depositories in relation to the demat account.
"Companies Act"	Companies Act, 1956 and the Companies Act, 2013, as applicable.

Term/Abbreviation	Description/ Full Form
"Companies Act, 1956"	The Companies Act, 1956 along with the relevant rules made thereunder.
"Companies Act, 2013"	The Companies Act, 2013 along with the relevant rules made thereunder.
"CSR"	Corporate social responsibility.
"Depositories Act"	Depositories Act, 1996.
"Depository"	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
"Diluted EPS"	Net Profit for the year attributable to owners of the Company/weighted average number of Equity Shares outstanding during the year as adjusted for effect of dilutive equity shares.
"DIN"	Director identification number.
"DP ID"	Depository participant's identification number.
"DP" or "Depository Participant"	Depository participant as defined under the Depositories Act.
"DPIIT"	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion).
"EGM"	Extraordinary general meeting.
"EPS"	Earnings per share.
"FCNR"	Foreign Currency Non-Resident.
"FDI"	Foreign direct investment.
"FDI Policy"	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020 issued by DPIIT, effective from October 15, 2020.
"FEMA"	Foreign Exchange Management Act, 1999.
"FEMA NDI Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
"Financial Year" or "Fiscal Year" or "Fiscal" or "FY"	Period of 12 months ending March 31 of that particular year.
"FPI"	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations.
"FVCI"	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations.
"GAAP"	Generally Accepted Accounting Principles in India.
"GOI"	Government of India.
"Government"	Central Government and/ or the State Government, as applicable.
"GST"	Goods and services tax.
"ICAI"	Institute of Chartered Accountants of India.
"IEPF"	Investor Education and Protection Fund.
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board.
"Income-Tax Act"	Income-tax Act, 1961.
"Ind AS" or "Accounting Standards"	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015.
"India"	Republic of India.
"IRDAI"	Insurance Regulatory and Development Authority of India.
"ISIN"	International securities identification number.
"IST"	Indian standard time.
"IT"	Information technology.
"MCA"	Ministry of Corporate Affairs, Government of India.
"Mutual Fund"	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
"NACH"	National Automated Clearing House.
"NEFT"	National electronic fund transfer.
"Net Asset Value/Book Value per Equity Share"	Net Worth/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year.
"Net Worth"	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, *i.e.*, the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth for our Company is paid up share capital and all reserves excluding capital reserve, amalgamation reserve, revaluation reserve and other comprehensive income.
"NR"	Non-resident or person(s) resident outside India, as defined under the FEMA.
"NRE"	Non-resident external.
"NRE Account"	Non-resident external account.
"NRI"	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
"NRO"	Non-resident ordinary.
"NRO Account"	Non-resident ordinary account.
"NSDL"	National Securities Depository Limited.
"NSE"	National Stock Exchange of India Limited.
"OCBs" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and

Term/Abbreviation	Description/ Full Form
	immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
"OCI"	Overseas citizen of India.
"PAN"	Permanent account number.
"RBI"	Reserve Bank of India.
"R&D"	Research and development
"Regulation S"	Regulation S under the U.S. Securities Act.
"Return on Net Worth" or "RoNW"	Net Profit for the year attributable to owners of our Company/Average Net Worth.
"RTGS"	Real time gross settlement.
"SCRA"	Securities Contracts (Regulation) Act, 1956.
"SCRR"	Securities Contracts (Regulation) Rules, 1957.
"SEBI"	The Securities and Exchange Board of India.
"SEBI Act"	The Securities and Exchange Board of India Act, 1992.
"SEBI AIF Regulations"	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
"SEBI FPI Regulations"	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
"SEBI FVCI Regulations"	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
"SEBI ICDR Master Circular"	SEBI master circular bearing number HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 9, 2026.
"SEBI ICDR Regulations"	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
"SEBI LODR Regulations"	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
"SEBI Takeover Regulations"	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
"SEBI VCF Regulations"	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations.
"State Government"	Government of a state of India.
"TPAP"	Third party application provider.
"U.S." or "USA" or "United States"	United States of America, its territories or possessions, any state of the United States, and the District of Columbia.
"U.S. Securities Act"	U.S. Securities Act of 1933, as amended.
"UPI"	Unified Payment Interface.
"US GAAP"	Generally accepted accounting principles in the U.S.
"USD"	United States Dollar.
"VCFs"	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.

NOTICE TO INVESTORS

The distribution of the Draft Letter of Offer, this Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material (collectively, the "**Issue Materials**") and issue of Rights Entitlement as well as Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, this Letter of Offer, the Rights Entitlement Letter or Application Form or any other Issue Materials may come or who receive Rights Entitlement and propose to renounce or apply for Rights Equity Shares in the Issue are required to inform themselves about and observe such restrictions. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 99.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders, have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e- mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders, who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Draft Letter of Offer, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in the United States or into any other jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 99.

Investors can also access the Draft Letter of Offer, this Letter of Offer, and the Application Form from the websites of our Company, the Registrar, and the Stock Exchanges.

Our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, this Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders, available with the Registrar in their records.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in whole or in part, in (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and in India, without the requirement for our Company or our affiliates to make any filing or registration in the United States or any other jurisdiction (other than in India). In addition, each purchaser or seller of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the "*Restrictions on Purchases and Resales*" section beginning on page 99.

Our Company, in consultation with the Registrar to the Issue, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and that such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the

information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, RESOLD, OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS, LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States, or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders, and will dispatch the Draft Letter of Offer, this Letter of Offer, the Application Form, and other applicable Issue Materials only to Eligible Equity Shareholders, who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, and this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any other federal or state securities commission in the United States, the securities authorities of any non-United States jurisdiction or any other U.S. or non U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in certain other jurisdictions.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Letter of Offer is in IST. Unless indicated otherwise, all references to a year in this Letter of Offer are to a Calendar Year. Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer. In this Letter of Offer, unless otherwise specified or if the context requires otherwise, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise, or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements which have been audited by our Statutory Auditors and the September Unaudited Financial Results issued by the Statutory Auditors of our Company.

Our Company's Financial Year commences on April 1 of each Calendar Year and ends on March 31 of the following Calendar Year. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31 of that year. For details of the Audited Financial Statements and the September Unaudited Financial Results, see "*Financial Statements*" beginning on page 59.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees, in crores.

Non-GAAP Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively "**Non-GAAP Financial Measures**", and each, a "**Non-GAAP Financial Measure**") in this Letter of Offer, which are Net Worth, Return on Net Worth and Net Asset Value/ Book Value per Equity Share. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of other companies in our industry. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, GAAP, IFRS or US GAAP. Other companies may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. However, these Non-GAAP Financial Measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, such Non-GAAP Financial Measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under GAAP. For further details, see "*Risk Factors – There are significant differences between Indian GAAP, Ind AS, and other accounting standards such as IFRS and U.S. GAAP, which may affect investors' assessment of our financial position.*" on page 32.

Currency of Presentation

All references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India;
- 'US$', 'USD', '$' and 'U.S. Dollars' are to the legal currency of the United States of America;

- 'EUR' are to the legal currency of certain European Union member states;

Please note:

- One crore is equal to 100 lakhs; and
- One lakh is equal to 100,000.

Conversion Rates for Foreign Currency:

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Sr. No.	Currency	As of September 30, 2026 (in ₹)	As of March 31, 2026 (in ₹)	As of March 31, 2025 (in ₹)	As of March 31, 2024 (in ₹)
1.	1 USD	95.98	94.65***	85.58**	83.37*
2.	1 EUR	108.93	109.01***	92.32**	90.24*

Source: www.fbil.org.in
Note: In the event that any of the abovementioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.
**March 28, 2024 is considered, since March 31, 2024 being a non-trading day.*
***March 28, 2025 is considered, since March 31, 2025 being a non-trading day.*
****March 30, 2026 is considered, since March 31, 2026 being a non-trading day.*

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

1. Increases in the prices of parts and materials required for our operations could adversely affect our business and results of operations.

2. We are dependent on a limited group of suppliers for the procurement of certain of our critical components, equipment, material and other goods for the operation of our projects on a timely basis. Interruptions in the supply of these critical components, equipment, material and other goods could adversely affect our business operations, financial position and cash flows.

3. Our success depends on our ability to identify market trends, including technological trends, and meet evolving customer demands, while maintaining or improving our profitability. If we are unable to do so, our sales volumes, business and results of operations would be adversely affected.

4. Ongoing geopolitical tensions in West Asia, may adversely affect our business, financial condition, results of operations and prospects.

5. All of our current sales volumes are derived from internal combustion engine ("ICE") and CNG vehicles, and we may not be able to implement our EV strategy successfully, cost-efficiently or at all, which could adversely affect our competitive position and future growth.

6. Our Company's international expansion into export markets, including neighbouring countries and countries in Africa, the ASEAN region, and the Middle East, exposes us to varying and complex regulatory frameworks, political and economic uncertainties, and compliance risks across multiple jurisdictions, which could adversely affect our business, results of operations, financial condition, cash flows, and prospects.

7. We depend on our vendors to supply spare parts and components in a timely manner and in adequate quantities, which are then supplied to our dealers and distributors for sale and after-sales service. Any disruption in this supply, or any delay or deficiency in after-sales service, could affect customer satisfaction and adversely affect our business, results of operations and cash flows.

8. We depend on our dealers and distributors for the sale of our products and the provision of after-sales services. Any disruption in our dealer and distributor network, or any deterioration in their financial health, could adversely affect our business, reputation, results of operations and cash flows.

9. We may not be successful in implementing our business strategies including those relating to product launches, sales and marketing, which could adversely affect our business, results of operations and future prospects. Further, our business strategies may change over time and we may not be able to execute our strategies as planned.

10. We are dependent on our Promoter, Mahindra & Mahindra Limited, for the use of the "Mahindra" brand, and any inability to protect, strengthen and enhance our brand and business reputation could adversely affect our business prospects and financial performance. Further, we do not own the "Mahindra" trademark, name or logo, and our ability to use the trademark, name or logo may be impaired. Our inability to protect our intellectual property, or any claims that we infringe the intellectual property rights of others, could have a material adverse effect on us. Further, the "Mahindra" brand could be harmed by complaints and negative publicity, in India and globally, which could have an adverse impact on our reputation, business, results of operations and financial condition.

Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets and could also affect our interest margins, business, results of operations and financial condition. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "*Risk Factors*" beginning on page 16.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of our Company's management, as well as the assumptions made by, and information currently available to, the management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI and Stock Exchange requirements, our Company will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchanges.

SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, the sections entitled "*Risk Factors*", "*Capital Structure*", "*Objects of the Issue*", and "*Financial Statements*" beginning on pages 16, 39, 41, and 59, respectively.

Summary of the Business

Our Company was incorporated on July 26, 1983 with the purpose to take initiative for manufacturing fuel-efficient Light Commercial Vehicles (LCV) in Punjab. Since commencing commercial operations in 1986, our Company has been engaged in the design, development, manufacture, assembly, marketing and distribution of passenger carriers and goods carriers for the transport industry. Over the period, our Company has achieved significant operational and technological milestones, and its product portfolio covers passenger carriers and goods carriers with Gross Vehicle Weight ("**GVW**") range of 5.0 tons to 11.3 tons. Furthermore, in the passenger carrier segment, our Company offers buses with up to 44+D-person seating capacity and a GVW of 10.4 tons. Our Company also developed a 4-Wheel Drive Truck in the year 1996, and achieved the successful transition to OBD-II (BS6 Phase-II) compliant vehicles in the year 2023. In addition, our Company also manufactures special application vehicles such as ambulances, dual-cabin trucks, riot control vehicles, dumper/ garbage removal vehicles, police vans, prison vans, water tankers and four-wheel-drive transport vehicles for defence and paramilitary forces.

On August 1, 2025, Mahindra & Mahindra Limited acquired 58.96% shareholding in our Company from Sumitomo Corporation, Japan and Isuzu Motors Limited, Japan and another 0.01% under open offer from eligible public shareholders and became its Promoter, following which Sumitomo Corporation, Japan ceased to be a 'Promoter' of our Company. We are a part of the Mahindra group, which has a global presence across diverse business verticals, including automotive, farm equipment, technology, financial services, real estate, hospitality, logistics, renewable energy, and aerospace and defence. The Mahindra group's flagship entity, Mahindra & Mahindra Limited, is our Promoter and had a market capitalization of ₹3,674.25 billion as of March 31, 2026 (*based on the closing price of the Equity shares as of March 30, 2026, on NSE*).

Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s).

Our Promoter and members of the Promoter Group have confirmed that in relation to the Issue, they intend to and reserve the right to either: (i)(a) subscribe to the full extent of the Equity Shares that they are entitled to in the Issue in proportion to the number of Equity Shares held by them respectively as on the Record Date ("**Rights Entitlement**") and not renounce their Rights Entitlement and (i)(b) subscribe to the full extent of the Rights Entitlement, if any, renounced within the Promoter and Promoter Group; or (ii) renounce any or all of their respective Rights Entitlements within the Promoter and Promoter Group, in each case to the extent that the aggregate shareholding of the Promoter and Promoter Group is compliant with the minimum public shareholding requirements under the Securities Contracts (Regulation) Rules, 1957 and the SEBI LODR Regulations. Further, subject to subscribing to the full extent of their respective Rights Entitlements as per (i)(a) above and such Rights Entitlements renounced within the Promoter and Promoter Group as per (i)(b) above, they have also agreed to subscribe to additional Equity Shares, if any, including any unsubscribed portion of the Issue, up to the total Issue size, subject to compliance with the SEBI Takeover Regulations and to the extent that the aggregate shareholding of the Promoter and Promoter Group is compliant with the minimum public shareholding requirements under the Securities Contracts (Regulation) Rules, 1957 and the SEBI LODR Regulations.

As on the date of this Letter of Offer, except for M&M, no other members of our Promoter Group hold any Equity Shares of our Company. The acquisition of Rights Equity Shares by our Promoter, shall be eligible for exemption from open offer requirements, in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with the provisions of the SEBI Takeover Regulations.

In terms of Regulation 86(1) of the SEBI ICDR Regulations, the minimum subscription in a rights issue must be at least 90% of the issue, provided that this requirement is not applicable if: (a) the objects of the issue involves financing other than financing of capital expenditure for a project; and (b) the promoter and promoter group undertake to subscribe fully to their portion of the rights entitlement and do not renounce their rights, except to the extent of renunciation within the promoter group or to the Specific Investor(s), if any.

Therefore, since (i) the objects of the Issue involve (a) funding of expenditure towards acquisition of truck and bus division of Mahindra & Mahindra Limited ("**MTBD**"); (b) funding capital expenditure for capacity expansion and plant modernization; and (c) funding of R&D towards new product and aggregates development and upgradation of certain products and meeting regulatory compliance; and (d) general corporate purposes and (ii) our Promoter and Promoter Group have undertaken to subscribe fully to their respective Rights Entitlements and to not renounce, except as permitted under Regulation 86(1) of the SEBI ICDR Regulations, the requirement for minimum subscription of at least 90% of the Equity Shares offered in the Issue is not applicable.

Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Allotment of the under-subscribed portion of the Issue

Our Company does not intend to allot the under-subscribed portion of the Rights Equity Shares in this Issue to any Specific Investor(s).

Details of our Company, Promoter and Directors being Wilful Defaulters or a Fraudulent Borrower

Neither our Company, nor our Promoter or Directors have been identified as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

Summary of outstanding litigation and defaults

As on the date of this Letter of Offer, neither our Company nor our Promoter or Directors have been issued any show cause notice(s) by SEBI or the Adjudicating Officer in a proceeding for imposition of penalty, nor have any prosecution proceedings been initiated against them by SEBI.

A summary of outstanding legal proceedings involving our Company as on the date of this Letter of Offer is set forth in the table below:

(*amounts in ₹ crores, unless otherwise specified*)

Sr. No.	Particulars	Number of cases	Amount involved (*to the extent quantifiable*)
Litigation involving our Company			
A.	Criminal liability on part of our Company	1	0.41
B.	Proceedings involving material violations of statutory regulations by our Company	Nil	Not applicable
C.	Matters involving economic offences where proceedings have been initiated against our Company	Nil	Not applicable
D.	Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	2	42.93
E.	Any other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company	Nil	Not applicable

For further details regarding regulatory actions, inspections and proceedings involving our Company, see "*Risk Factors – Our Company is involved in legal proceedings. An unfavourable outcome in any of these matters could negatively affect our business, operations, financial condition, and cash flows.*" on page 27.

Other confirmations

Our Company has been in compliance with the equity listing agreement and the SEBI LODR Regulations, during the three years immediately preceding the date of this Letter of Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. This section should be read together with our Audited Financial Statements and the September Unaudited Financial Results.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment.

This Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In this section, unless the context otherwise indicates or implies, "we", "us" and "our" refer to our Company.

Internal Risks

1. Increases in the prices of parts and materials required for our operations could adversely affect our business and results of operations.

Over the years, we have developed vendors who supply us with components and parts as per our requirements. These include components for in-house manufacture of engine and assemblies covering transmission, axle, chassis and cargo box for our vehicles. Raw material and components consumed constitute a major portion of our manufacturing costs. The principal components required for manufacture of commercial vehicles are made of raw materials including forging, steel, cast iron, steel sheets and plates, non-ferrous material like aluminium and copper, rubber and plastics. Our suppliers in turn depend on third parties for materials, and for the parts they manufacture for us. The table below shows the cost of materials consumed as a percentage of our total income and the percentage of parts and materials sourced from India and outside India for the periods indicated:

Particulars	Six months period ended September 30, 2026	Fiscal		
		2026	2025	2024
Total cost of materials consumed (₹ millions)	12,704	21,670	18,221	16,973
Total cost of materials consumed as a % of total income	77.9%	76.1%	75.8%	77.1%
Purchase of parts and materials sourced from India as % of total purchase of parts and materials	99.9%	99.9%	99.9%	99.9%
Purchase of parts and materials sourced from outside India as % of total purchase of parts and materials	0.1%	0.1%	0.1%	0.1%

For further risks related to our suppliers, see "*We depend on our vendors to supply spare parts and components in a timely manner and in adequate quantities, which are then supplied to our dealers and distributors for sale and after-sales service. Any disruption in this supply, or any delay or deficiency in after-sales service, could affect customer satisfaction and adversely affect our business, results of operations and cash flows.*" on page 20.

Our ability to manufacture trucks and buses depends on the continued availability of parts and materials required for our manufacturing operations and for our suppliers' manufacturing processes. Our operations and our suppliers' ability to provide parts and materials to us at competitive prices are affected by global commodity prices, inflation and our ability to negotiate with our suppliers effectively. In particular, fluctuations in the prices of steel, aluminium, copper, rubber, plastics, energy and costs of logistics may adversely affect our manufacturing costs and margins. Any increase in crude oil and energy prices, such

as power tariffs, high-speed diesel and gas prices, may also indirectly increase our suppliers' and transportation costs, along with effects of factors such as timely availability of components and labour costs.

Further, factors such as changes in raw material costs, timely availability of components, labour cost, logistics and exchange rates could significantly increase our costs for sourcing parts and materials.

2. ***We are dependent on a limited group of suppliers for the procurement of certain of our critical components, equipment, material and other goods for the operation of our projects on a timely basis. Interruptions in the supply of these critical components, equipment, material and other goods could adversely affect our business operations, financial position and cash flows.***

We are dependent on a limited number of suppliers for certain critical components and aggregates, including engines, transmissions, axles, electronic control units, emission-control systems, telematics and safety-related components. Any disruption in the supply of such components, including as a result of supplier financial stress, production interruptions, quality issues, geopolitical developments or logistics disruptions, could adversely affect our production schedules, business and results of operations. While we try to maintain a diversified set of vendors, we remain subject to the risk that vendors may not perform their obligations in full or at all.

Although we have not faced significant disruptions in the procurement of critical components in Fiscals 2026, 2025 and 2024, we cannot assure you that we will not face any disruption in procurement of products from our suppliers.

Although our procurement agreements typically require manufacturers to provide warranties against equipment failures and defects for a specified period, any issues arising after these warranties expire would necessitate repairs at our expense. If we seek warranty or guarantee protection and the vendor is unable or unwilling to perform its obligations under the warranty or guarantee, whether as a result of the vendor's financial condition or otherwise, or if the term of the warranty or guarantee has expired, we may be required to incur costs for the repair, replacement or maintenance. Additionally, vendor liability for warranty breaches is typically capped at a portion of the purchase price or service fees. Any losses exceeding this cap would be our responsibility. If vendors fail to meet obligations, deliver defective components or violate quality standards, we could face delays and need costlier contracts with other vendors, who may not be readily available.

Furthermore, the contracts do not cover consequential damages, meaning that fulfilling warranty obligations might not fully compensate for the resulting damage and loss. Such events could have a material adverse effect on our business, cash flows, financial condition and results of operations.

3. ***Our success depends on our ability to identify market trends, including technological trends, and meet evolving customer demands, while maintaining or improving our profitability. If we are unable to do so, our sales volumes, business and results of operations would be adversely affected.***

Our success depends on our ability to identify market trends, including technological trends, and develop, introduce, manufacture and upgrade our vehicles in line with customer demands, at a certain scale and profitably. Our ability to innovate and provide high-quality trucks and buses and parts is also affected by our ability to, among others: (i) identify customer needs and new technological trends (such as connected vehicle technologies, fleet management systems, Advanced Driver Assistance Systems ("ADAS"), alternative fuel technologies and electrification technologies, among others); (ii) keep track of legal requirements in the trucks and buses industry in India and in our export markets; (iii) have access to the latest technology; (iv) secure the necessary parts, materials, services or licences on acceptable terms and in a timely manner; (v) negotiate with our suppliers; (vi) manage a large workforce in different divisions and geographies and implement and enhance administrative infrastructure, safety, systems and processes; (vii) upgrade our plants to accommodate these new trends; (viii) maintain effective and efficient quality and safety controls; (ix) hire qualified personnel and train our existing employees; (x) design and manufacture trucks and buses without defects and, if required, undertake repairs or field actions, such as product recalls or changes in vehicle design; and (xi) obtain the required regulatory approvals and certifications. If we are unable to manage or prevent these risks, our brand, reputation and results of operations will be negatively impacted.

We may also need to incur additional R&D expenses to innovate based on new trends or regulatory requirements, which may not generate a commensurate return on investment. For example, we are taking steps to ensure that all our vehicles are equipped with ADAS and active safety technologies, as mandated by the Government of India through the Ministry of Road Transport and Highways, among others. Such regulatory changes may require us to incur additional expenses in the future, and we may not be able to pass such increased costs on in the prices we charge. Our failure to do so could adversely affect our profitability and results of operations.

Further, our success depends on our ability to consistently release new features and model upgrades in line with customer expectations and market demands. Our failure to release, or delay in releasing, such changes on a consistent basis could make us less competitive in the market and adversely impact our sales volumes and market share.

Our ability to innovate and manufacture high-quality trucks and buses and parts is also affected by our ability to (i) negotiate with our suppliers; (ii) manage a large workforce in different divisions and geographies and implement and enhance

administrative infrastructure, safety, systems and processes; (iii) secure the necessary parts, services or licences on acceptable terms and in a timely manner; (iv) maintain effective and efficient quality and safety controls; (v) design and manufacture vehicles without defects that require us to undertake repairs or take field actions, such as issuing product recalls or changing vehicle designs; and (vi) obtain the required regulatory approvals and certifications, among others. If we are unable to manage or prevent the above risks, our brand, reputation, and results of operations will be negatively impacted. Further, our failure to accurately estimate the supply and demand for our trucks and buses and parts may lead to a shortage or excess of inventory, which in turn could prevent us from effectively managing our manufacturing requirements, causing production delays. Low demand for our trucks and buses and parts may limit our ability to leverage economies of scale.

4. ***Ongoing geopolitical tensions in West Asia, may adversely affect our business, financial condition, results of operations and prospects.***

Our Company's business and operations are exposed to risks arising from geopolitical instability in West Asia. The conflict has resulted in, and may continue to result in, disruptions to global supply chains, volatility in crude oil and natural gas prices, increased shipping and logistics costs, and broader macroeconomic uncertainty. India imports a substantial proportion of its crude oil and liquefied natural gas requirements from the region, and any disruption to such supply may have cascading effects on the Indian economy and on businesses such as ours.

In particular, the crisis may disrupt critical shipping routes, including those through the Strait of Hormuz and the Red Sea corridor, leading to delays in procurement, increased freight and insurance costs, and inventory shortages; cause further volatility in crude oil and natural gas prices, thereby increasing our input costs and compressing our margins; lead to increased volatility in the Indian Rupee relative to the US Dollar, adversely impacting our revenue, profitability, and the cost of our imports; result in the imposition or expansion of economic sanctions, export controls, or trade restrictions that may limit our ability to transact with certain counterparties or operate in certain markets; dampen consumer and business confidence, leading to reduced demand, order cancellations, or the invocation of force majeure provisions under existing contractual arrangements; increase war risk surcharges and marine insurance premiums on cargoes routed through the affected area; and pose risks to the safety and security of our employees, contractors, and agents operating in or travelling through affected territories.

We cannot predict the duration, severity, or ultimate resolution of the conflict, nor can we assure investors that we will be able to fully mitigate its adverse effects. Any intensification of hostilities, expansion of the geographic scope of the conflict, or imposition of further economic sanctions could have a material adverse effect on our business, financial condition, results of operations and prospects.

5. ***All of our current sales volumes are derived from internal combustion engine ("ICE") and CNG vehicles, and we may not be able to implement our EV strategy successfully, cost-efficiently or at all, which could adversely affect our competitive position and future growth.***

Our current portfolio does not include any electric trucks or buses, and all of our domestic sales volumes in the six months ended September 30, 2026, and in Fiscals 2026, 2025 and 2024 were from ICE and CNG vehicles. The following table provides a breakdown of our sales volumes by powertrain for the periods indicated:

Particulars	**Six months period ended September 30, 2026**		**Fiscal**					
			2026		**2025**		**2024**	
	Units	*% of total domestic vehicle sales volumes*	*Units*	*% of total domestic vehicle sales volumes*	*Units*	*% of total domestic vehicle sales volumes*	*Units*	*% of total domestic vehicle sales volumes*
Domestic sales volume by powertrain	8,972	100	15,803	100	13,511	100	13,561	100
ICE (without CNG)	8,234	92	14,130	89	11,885	88	12,114	89
CNG	738	8	1,673	11	1,626	12	1,447	11

Our Company is currently developing an electric bus, which we have not yet commercially launched. The timing of any launch is uncertain and depends on, among other things, the vehicle meeting our internal standards for performance, reliability and safety. We are also evaluating further bus variants and electric trucks but have not finalised our strategy or timelines for launching these products, and we may decide not to pursue some of these bus variants or electric trucks.

The pace of transition towards electric commercial vehicles and alternative fuel technologies is uncertain and investments made by us in such technologies may not generate expected returns. Further, developing our EV product portfolio, including the latest technologies, involves significant technical risks and upfront capital investments that may not generate commensurate

returns. Our EV strategy also depends on factors outside our control, including the availability and cost of batteries and other key components, the development of public charging infrastructure, government incentives and regulation, customer acceptance of the higher upfront cost and total cost of ownership of electric commercial vehicles, and competition from established manufacturers and new entrants with greater experience in EVs. If we are unable to offer competitive EV products in a timely manner, we may lose market share to competitors, and our business, results of operations, financial condition and prospects could be adversely affected.

6. ***Our Company's international expansion into export markets, including neighbouring countries and countries in Africa, the ASEAN region, and the Middle East, exposes us to varying and complex regulatory frameworks, political and economic uncertainties, and compliance risks across multiple jurisdictions, which could adversely affect our business, results of operations, financial condition, cash flows, and prospects.***

Our Company has commenced and intends to further expand our export operations to neighbouring countries such as Bangladesh, Nepal and Bhutan, as well as to countries in Africa (including Angola, Gabon, Senegal, Guinea, Ivory Coast, Mozambique, Tanzania, Malawi), the ASEAN region, and the Middle East. The percentage of total export as a percentage of total sales in Africa, the neighbouring countries (Bangladesh, Nepal & Bhutan), the Middle East region and the ASEAN region of the Company has been provided below:

Region	FY 2024	FY 2025	FY 2026
Africa	0.2%	2.0%	3.0%
Neighbouring countries (Bangladesh, Nepal & Bhutan)	1.5%	3.0%	2.0%
Middle East	-	-	-
ASEAN Region	-	-	-
Total export as a % of total sales	**1.7%**	**5.0%**	**5.0%**

Further, efforts are underway to tap additional high-potential markets like Sri Lanka with rising demand for commercial vehicles. While such expansion is expected to enhance market accessibility and diversify revenue streams, operations in these jurisdictions subject the Company to a wide range of regulatory, political, economic, and legal risks, many of which are beyond our control.

Some of these risks include: (i) the regulatory frameworks governing the import and export of commercial vehicles vary significantly across the jurisdictions in which our Company operates or intends to operate, and encompass, among other things, import duties, tariffs, customs regulations, trade restrictions, product certification and homologation requirements, and licensing and approval regimes, and the failure to comply with such requirements could result in penalties, seizure of goods, loss of market access, or reputational harm; (ii) political instability, changes in government policy, imposition of trade sanctions or embargoes, deterioration in diplomatic relations between India and the relevant host countries, and civil unrest or armed conflict in the markets in which our Company operates, any of which could disrupt operations, affect demand for our products, or result in the imposition of unfavourable trade barriers or local content requirements; (iii) fluctuations in exchange rates between the Indian Rupee and the currencies of our Company's export markets, which may adversely affect our Company's realisations and margins, and the imposition by certain jurisdictions of foreign exchange controls, restrictions on the repatriation of earnings, or limitations on the convertibility of local currencies, which could affect our Company's ability to repatriate export proceeds or manage our working capital requirements effectively; (iv) exposure to liabilities under various anti-bribery, anti-corruption, anti-money laundering, and sanctions laws and regulations applicable to operations in African, ASEAN, and Middle Eastern markets, including the Prevention of Corruption Act, 1988 to the extent applicable, and non-compliance by our Company, our directors, officers, employees, agents, distributors, or other intermediaries could result in significant criminal and civil penalties, litigation, regulatory enforcement action, and reputational damage; (v) our Company's ability to conduct export operations is contingent upon our obtaining and maintaining various licences, permits, registrations, and approvals from Indian and foreign regulatory authorities, and there can be no assurance that such licences and approvals will be granted, renewed, or maintained on terms favourable to our Company, or at all, and any delay in obtaining, or failure to obtain or renew, or any revocation or suspension of, such licences and approvals could disrupt our Company's export operations and result in loss of revenue; (vi) challenges in enforcing our Company's contractual rights and protecting our intellectual property in foreign jurisdictions, particularly in markets where the legal and judicial systems may be less developed, where the enforceability of foreign judgments and arbitral awards is uncertain, or where adequate intellectual property protection frameworks may not exist; and (vii) evolving local content requirements, import substitution policies, or other protectionist measures adopted by host countries, which could necessitate changes to our Company's supply chain, manufacturing processes, or sourcing arrangements, and could increase costs or limit market access.

Our Company cannot assure investors that it will be able to successfully manage the risks associated with our international expansion or that our export operations will achieve the intended commercial objectives. The occurrence of any risk including any of the risks described above, individually or in combination, could have a material adverse effect on our Company's business, results of operations, financial condition, cash flows, and prospects.

7. ***We depend on our vendors to supply spare parts and components in a timely manner and in adequate quantities, which are then supplied to our dealers and distributors for sale and after-sales service. Any disruption in this supply, or any delay or deficiency in after-sales service, could affect customer satisfaction and adversely affect our business, results of operations and cash flows.***

We procure spare parts and components from our vendors and supply them to the sales and service outlets operated by our dealers in India and to our distributors outside India. Our dealers and distributors then sell these spare parts and use them to provide after-sales service to our customers. The following table sets forth the count of our sales outlets and service outlets in India for the periods indicated:

Dealership Type	As of September 30, 2026	As of March 31		
		2026	2025	2024
3S (Sales, Service & Spares)	123	115	94	90
2S (Service & Spares) /1S (Spares) DSB (Dealer Sale Branch)/SQSP (SML Quick Service Point)	275	254	131	114

Our customers rely on spare parts, components and after-sales service being available on time to keep our products running throughout their useful life. Our ability to meet these needs depends on several factors. These include accurately forecasting demand for spare parts, keeping adequate inventory with us and across our dealer and distributor network, procuring parts from our vendors on time, and running efficient logistics and delivery arrangements, both domestically and for exports. We source certain spare parts and components from a limited number of third-party vendors. Our vendors may fail to deliver or deliver late. Raw materials may be in short supply or rise in price. Transportation and logistics, including international shipping, may be disrupted. Any of these could affect our ability to supply spare parts to our dealers and distributors in adequate quantities and on time.

For exports, we supply spare parts to our distributors in the countries we export based on the demand they communicate to us, and delays, inaccurate forecasts or supply gaps could leave those markets without adequate parts. If we are unable to provide adequate spare parts and components to meet our dealers' and distributors' demand due to delays or shortfalls from our vendors, insufficient inventory, miscommunications, inaccurate demand forecasts or otherwise, our after-sales service and customer satisfaction could be negatively affected. While our dealers and distributors are required to stock adequate quantity and variety of spare parts based on projected purchase orders for the upcoming months under the dealership agreements or distributorship agreements, there can be no assurance that they will do so consistently. In that case, customers may: (a) buy spare parts from non-authorised dealers or the unorganised market, or use non-authorised workshops for after-sales service, which would reduce our revenue from the sale of spare parts; and (b) be less willing to buy our vehicles again or recommend them to others, which could affect repeat sales, our brand and our market share in India and in our export markets. Any of these events could adversely affect our business, financial condition, revenue from operations and cash flows.

8. ***We depend on our dealers and distributors for the sale of our products and the provision of after-sales services. Any disruption in our dealer and distributor network, or any deterioration in their financial health, could adversely affect our business, reputation, results of operations and cash flows.***

We sell our trucks and buses, and provide after-sales services, in India through sales and service outlets operated by our dealers. For exports, we depend on demand from distributors in the countries we export to. If we are unable to maintain our dealer and distributor network, we may not be able to retain or grow our market share or expand into new geographies.

Our dealership and distributorship agreements require dealers and distributors to stock adequate quantities and an adequate variety of our vehicles and spare parts, based on projected purchase orders. However, there can be no assurance that they will do so consistently.

Further, since dealers and distributors have direct contact with the retail customers before they purchase our trucks and buses and during the after-sales services, their conduct has a significant impact on the customers' perception of our trucks and buses and our brand. Therefore, if our dealers or distributors fail to adhere to the quality standards that we set for them, it may negatively affect market perception of our trucks and buses. Further, if our relationship with a dealer or distributor is terminated or if a dealer or distributor reduces purchases of our trucks and buses or parts, we may not be able to replace such relationship with a new dealer or distributor in a timely manner or at all. In addition, any such new relationship may take time to develop and may not be as favourable to us as the relationship it is replacing. Some of our dealers and distributors may prefer providing

dealership services to our competitors. In addition, issues affecting dealers and distributors such as bankruptcy, non-compliance with legal requirements, failure of their information systems, any security breach, or any labour unrest or slowdowns could lead to fluctuations in our revenue and could also negatively affect our reputation in the industry and amongst customers. We may also be subject to claims by our dealers or distributors and therefore could incur substantial costs defending such claims.

9. ***We may not be successful in implementing our business strategies including those relating to product launches, sales and marketing, which could adversely affect our business, results of operations and future prospects. Further, our business strategies may change over time and we may not be able to execute our strategies as planned.***

   Our business strategies, including those relating to product launches, investment, supply chain, distribution, sales and marketing, are subject to change over time. While we have a track record of launching new products, our business strategies may change over time and we may not be able to execute our current strategies as planned or within the timeframe we currently expect. Any changes in our strategies may adversely impact our existing relationships with dealers, customers and suppliers, leading to business loss and such strategy changes can also cause uncertainty in our business operations, key personnel turnover and decreased productivity, negatively affecting our financial condition, operational results, and future prospects.

10. ***We plan to increase our bus body manufacturing capacity and modernization. If such expansion does not lead to increases in our revenue from operations, it could have an adverse effect on our business, results of operations, financial condition and cash flows. Further, our proposed capacity expansion plan is subject to the risk of unanticipated delays in implementation and cost overruns.***

    We intend to utilize ₹ 125.00 crores from the Net Proceeds towards the capacity expansion, modernization and upgradation of our manufacturing facilities at our plant situated at Village Asron, District Shahid Bhagat Singh Nagar, Nawanshahr, Punjab - 144 533, India ("**Plant**"). This will support higher production volumes, establishment of dedicated production lines within a new manufacturing bay, deployment of tooling and fixtures, related civil infrastructure, enhancement of material handling systems, utilities, inspection and testing facilities, and other supporting infrastructure required for the expanded production capacity. For further information, see "*Objects of the Issue – Funding capital expenditure for capacity expansion of bus body plant*" on page 45. However, we cannot assure you that such increase in bus body manufacturing capacity will result in a corresponding increase in our revenues and margins.

    There are several factors that may affect the demand for our commercial vehicles, including buses, including those beyond our control, such as general economic conditions, government policies, fluctuations in market demand, or our failure to accurately predict customer demand or understand market requirements. The occurrence of such events could have an adverse effect on our business, results of operations, financial condition and cash flows.

11. ***We are dependent on our Promoter, Mahindra & Mahindra Limited, for the use of the "Mahindra" brand, and any inability to protect, strengthen and enhance our brand and business reputation could adversely affect our business prospects and financial performance. Further, we do not own the "Mahindra" trademark, name or logo, and our ability to use the trademark, name or logo may be impaired. Our inability to protect our intellectual property, or any claims that we infringe the intellectual property rights of others, could have a material adverse effect on us. Further, the "Mahindra" brand could be harmed by complaints and negative publicity, in India and globally, which could have an adverse impact on our reputation, business, results of operations and financial condition.***

    We benefit from being a part of the Mahindra Group, and our Promoter, M&M, provides strong brand recognition and operational synergies. We believe our association with the "Mahindra" brand enhances customer confidence, lender relationships and supplier engagement, which are critical to our commercial vehicle business.

    We depend on M&M for the use of the "Mahindra" brand. Pursuant to the trademark licence agreement dated December 16, 2025, M&M has granted our Company a non-exclusive, revocable, non-assignable and non-sublicensable right to use the Mahindra trademark and certain other trademarks at a mutually agreed fee between the parties. Further, we cannot assure you that the "Mahindra" trademark, name or logo will not be adversely affected in the future by events such as actions that are beyond our control, including action or inaction of entities using the "Mahindra" trademark, name or logo, regulatory actions against such companies or adverse publicity from any other source. Any damage to this trademark, name or logo, if not immediately and sufficiently remedied, could have an adverse effect on our financial condition, cash flows and results of operations. Further, as the "Mahindra" trademark, name or logo is not registered in our Company's name, we cannot assure you that we will continue to have the rights to use the same in the future. Our continued use of the "Mahindra" brand is subject to the terms and conditions of the aforementioned trademark licence agreement. Any limitation, modification or termination of such rights could adversely affect our business and market position. Further, we share the brand name with other companies within the Mahindra Group. In the event there is any negative publicity on account of any of our Promoter Group entities, our brand may also be impacted which may impact our business and brand value.

    The success of our business depends on our and M&M's ability to develop, maintain and strengthen the "Mahindra" brand. If we or M&M fail to preserve the value of the "Mahindra" brand, maintain our reputation, or attract consumers to our brand through, for example, quality after-sales services to our customers, our business could be adversely impacted. There can be no

assurance that our advertising and sales promotion efforts will be successful in maintaining our brand and its perception with customers. Also, we may not necessarily increase or maintain our advertising and sales promotion efforts in proportion to our growth in the future, which may result in limited marketing initiatives. Our inability to adapt to evolving marketing trends at the same pace as our competitors may adversely affect our ability to effectively compete in terms of our brand equity. Whilst there have been no material instances of negative publicity involving us, we cannot assure you that we would not face such negative publicity going forward which may adversely impact our reputation and brand.

Furthermore, our and M&M's reputation and the "Mahindra" brand are vulnerable to threats that can be difficult to predict or control, and costly or unfeasible to remediate. M&M or the "Mahindra" brand may be subject to negative publicity as a result of the actual or alleged conduct of us or our third-party service providers, complaints or negative reviews by customers, alleged misconduct or unethical business practices, safety breaches or other improper activities. In addition, we may be subject to claims by third parties, both within and outside India, alleging infringement of their intellectual property rights as a result of our use of slogans, names, designs, software or other intellectual property, whether due to accidental or purposeful use by our employees. While we take care to ensure compliance with the intellectual property rights of others, we cannot determine with certainty whether our activities infringe any existing third-party intellectual property rights. Any such claims, regardless of their merit or resolution, could result in significant costs to defend ourselves, divert management attention and technical personnel from our business and adversely affect our reputation and brand. Such claims could also require us to pay damages or other amounts to third parties, obtain licences, alter our technologies or product offerings, cease using the relevant intellectual property, discontinue certain portions of our operations or make changes to our marketing strategies or product names, including pursuant to temporary or permanent injunctions. These actions could result in unexpected expenses and adversely affect our operations, revenues and business prospects, particularly as we continue to expand our operations and product offerings.

Further, rumours relating to our and M&M's business, directors, officers, employees or shareholders could harm our reputation, business and results of operations. These allegations, even if not proven, may lead to inquiries, investigations, or other legal actions against us, which could cause us to incur significant costs to defend ourselves. Any negative publicity regarding our or M&M's suppliers or other business partners that we closely cooperate with, or any regulatory inquiries, investigations, or lawsuits initiated against them, may also have an impact on the "Mahindra" brand and our or M&M's reputation. Our brand image may also be negatively affected if customers believe that we are no longer able to innovate and/or offer high-quality trucks and buses and parts and related services that meet evolving customer demands, which, in turn, could affect our sales volumes, business and results of operations.

12. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets and could also affect our interest margins, business, results of operations and financial condition.

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may relate to the nature of our business and may be outside of our control. For example, our credit ratings may depend on the financial performance and business prospects of M&M and M&M's majority shareholding in our Company. Our credit ratings in accordance with the letter dated November 28, 2025 are set forth below:

Agency	Instrument	Rating	Outlook
ICRA Limited	Commercial Papers	ICRA A1+	-
	Long term (Banking Facility)	ICRA AA+	Stable
	Short term (Banking Facility)	ICRA A1+	-

Although there has been no downgrade of our credit ratings in the last three fiscals, we cannot assure you that there will not be any downgrade in the future. Any downgrade in our credit ratings or the credit ratings of India, could increase our borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations and financial condition.

13. Our business is subject to costs, risks and uncertainties, including those associated with laws and regulations in domestic and foreign jurisdictions in which we operate. Breach of applicable laws and regulations could adversely affect our business, operations and reputation.

The markets we serve are subject to substantial government regulations, which often differ by state, region and country. We can be impacted by expected and unexpected changes in the legal and regulatory environments in India and the countries where we export our vehicles and parts. Our business, operations and manufacturing processes are subject to various domestic, regional, and foreign laws and regulations governing, among other things, corporate actions, environmental issues (including global climate change and greenhouse gas emissions), fuel economy standards, vehicular safety norms, health and safety of employees and import and export. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future regulatory frameworks. Violations of such laws and regulations

could result in the imposition of significant fines and penalties, suspension, revocation or non-renewal of our permits, production delays or limitations, imprisonment or the closure of our plants.

From time to time, the Government of India and certain state governments introduce various new laws and regulations (some of which could be applied retrospectively) that impact the costs of our vehicles, our sales, profit margins and results of operations. For instance: the Bharat Stage Emission Standards – VI, effective since April 2020, among other things, mandates a reduction in allowable pollutant emission rates for internal combustion engine vehicles, including commercial vehicles, and sets a limit on the particle number emission; the amended Automotive Industry Standards applicable to commercial vehicles prescribe stringent safety and structural requirements for medium and heavy commercial vehicles ("**M&HCVs**") and light commercial vehicles ("**LCVs**"); and the Corporate Average Fuel Consumption ("**CAFC**") standards regulate the corporate average fuel consumption of vehicles sold by manufacturers in a fiscal year. Any regulatory changes in emission norms or fuel efficiency standards could have an impact on the demand for commercial vehicles, thereby affecting our sales of M&HCVs and LCVs.

Further, key government infrastructure projects such as Bharatmala Pariyojana, Sagarmala Programme, the Dedicated Freight Corridor (enhancing freight efficiency), the PM Gati Shakti National Master Plan, the Smart Cities Mission (driving urban construction activity), and the UDAN Scheme (improving regional connectivity and cargo movement), while creating new opportunities for freight movement and transport demand across both M&HCV and LCV segments, also result in evolving regulatory requirements with which we must comply. The government's heavy infrastructure investments in roads, railways, and logistics parks, public transport initiatives (including bulk procurement of buses by state transport undertakings), and policies supporting electric vehicle adoption (especially e-buses and electric LCVs) are accelerating fleet modernisation and driving commercial vehicle demand. While GST rationalisation and financing support enhance affordability and position commercial vehicles as a key enabler of India's growth story, any adverse changes to such policy support or the introduction of additional regulatory requirements could impact our business and results of operations.

Further, the Ministry of Road Transport and Highways has amended the Automotive Industry Standards (AIS) 156 and AIS 038 (Revision 2) norms in relation to electric powertrain in vehicles, and introduced stringent testing and certification standards, to ensure better safety following reports of several fire-related incidents involving EVs. The amended AIS 156 norms require certification of certain EVs, including electric commercial vehicles. Additionally, central, state and local laws may result in additional barriers to electric commercial vehicle adoption, including additional costs. For example, states may impose additional registration fees or road taxes for commercial vehicles, and evolving axle load norms, scrappage policies, and fleet age restrictions could require significant capital outlay for compliance. Any of the foregoing could materially and adversely affect the growth of the electric and alternative fuel commercial vehicle markets and our business, prospects, financial condition, results of operations and cash flows.

If we are unable to comply with any applicable laws, our business, results of operations and financial condition could be adversely affected. Further, changes in domestic and foreign laws, regulations and policies, as well as changes in policies relating to foreign trade and investment, may affect our ability to operate and the manner in which we manage our business in the countries in which we operate.

14. We require certain approvals and licences in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our operations.

Our operations are subject to extensive government regulations, and we are required to obtain and maintain several statutory and regulatory permits, approvals, registrations and licences under central, state and local government rules in India. While we have obtained a number of approvals required for our operations, certain approvals that we have submitted applications for are currently pending. There is no assurance that we will receive these approvals on time or at all. In addition, to operate our manufacturing plants, we require land use and environmental permits and other operating permits from central, state, and local government entities. While we currently have the necessary approvals to carry out and perform our current plans and operations at our manufacturing plants, our approvals may expire in the ordinary course, and we may be required to make applications for such renewals. If we fail to obtain or retain any of these approvals or licences, or renewals thereof, in a timely manner, it may disrupt our operations, result in the imposition of penalties and may adversely affect our operations, business and financial condition.

Some of our approvals are valid for a limited duration or are subject to certain conditions. We cannot assure you that these approvals would not be suspended or revoked in the event of alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

If we are unable to obtain or retain such approvals, licences, permits and registrations, or renewals thereof, in a timely manner or at all, our business and growth strategy may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with the terms and conditions to which such licences, approvals, permits or registrations are subject, such licence, approval, permit or registration may be suspended or cancelled and it may result in cost and time overruns, imposition of penalties, interruption of our operations and may have an adverse effect on our business, cash flows, financial condition and results of operations. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

15. We have previously engaged in related party transactions and may continue to do so in the future. There is no assurance that we will be able to secure more favourable terms in such transactions had they been undertaken with unrelated parties.

We enter into related party transactions from time to time. Below are the details of our related party transactions in the last three Fiscals, which have been entered into on an arm's length basis:

Name	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Related party transactions (₹ crores)	***Related party transactions as a % of total income (%)***	**Related party transactions (₹ crores)**	***Related party transactions as a % of total income (%)***	**Related party transactions (₹ crores)**	***Related party transactions as a % of total income (%)***
Sumitomo Corporation, Promoter (related party up to August 1, 2025) – Relating to purchase of components and dividend	11.64	0.41	10.87	0.45	1.64	0.08
Mahindra & Mahindra Limited, Promoter (related party with effect from August 1, 2025) - Primarily relating to reimbursement of remuneration of KMPs and availment of common services.	6.01	0.21	NA	NA	NA	NA
Directors/KMPs – Primarily relating to sitting fee/commission to Independent Directors and remuneration of KMPs	4.58	0.16	3.85	0.16	3.64	0.17
Mahindra Holidays and Resorts India Limited (related party with effect from August 1, 2025)	0.02	Negligible	NA	NA	NA	NA

If we extend loans or advances, or provide guarantees or security to related parties, we may face risks related to defaults or non-recovery. Further, there is no assurance that we will be able to secure more favourable terms for such transactions if conducted with unrelated parties.

16. Our business is seasonal and cyclical in nature and a decrease in our sales during some quarters could have an adverse impact on our financial performance.

The sales volumes and prices of our commercial vehicles are influenced by the cyclicality and seasonality of demand for commercial vehicles in the countries in which we operate. Demand for commercial vehicles remains highly cyclical and closely aligned with the overall macroeconomic environment, including GDP growth, infrastructure spending, freight movement, interest rates, fuel and commodity prices, and evolving tax and emission regulations. Typically, demand for our passenger carrier vehicles used in educational institutions peaks during the period from March to August due to the conclusion of annual procurement of buses by the educational institutions during these months. The demand for our exported commercial vehicles also depends on the cyclicality and seasonality of commercial vehicle demand in each country**.**

For example, monsoon has a direct impact on agriculture-related factors like crop yields and food prices, which in turn impact demand for LCVs used in last-mile distribution and rural freight by shaping consumer spending behaviours and economic stability. Any significant and/or unexpected shortfall in rainfall could have an unanticipated impact on the demand for our LCV models and rural transport solutions, which may impact our business and results of operations. Additionally, our school bus business is subject to its own cyclical patterns driven by the academic calendar, with procurement activity concentrated around the commencement of new academic sessions, which could result in uneven revenue contribution from this segment across quarters.

Demand for M&HCVs is particularly sensitive to government infrastructure spending, industrial output, and mining activity. Any slowdown in these sectors, or delays in project execution under key programmes, could materially reduce demand for our M&HCV products. More broadly, any significant event or economic slowdown during our peak seasons could materially and adversely affect our operations, cash flows and growth.

We also expect our period-to-period results of operations to vary based on our operating costs, which we anticipate will increase significantly in future periods as we, among other things, design, develop, and manufacture newer models of our commercial vehicles (including electric and alternative fuel variants), expand and further equip our manufacturing plants, open new manufacturing facilities, increase our sales and marketing activities, and increase our general and administrative functions to support our growing operations. Any increases in our operating costs may also lead to a commensurate increase in the price of our commercial vehicles which may lead to a resultant decrease in demand for our vehicles, particularly in the price-sensitive

LCV segment. As a result of these factors, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of future performance. Moreover, our results of operations may not meet the expectations of equity research analysts or investors. If this occurs, the trading price of our shares could fall substantially either suddenly or over time.

17. We depend on contractors and sub-contractors for the timely and successful completion of construction works, and their failure to complete the project on time or at all may adversely affect our business and profitability.

We engage contractors to perform some of our construction works, such as proposed expansion of our manufacturing plant at Village Asron, District Shahid Bhagat Singh Nagar, Nawanshahr, Punjab -144 533, India ("**Manufacturing Plant**"). Any delays by our contractors to complete the construction of a project could result in our inability to meet project timelines. Our contractors may not be able to replace sub-contractors without any disruptions or adverse consequences to our operations and in certain situations, may be compelled to engage certain sub-contractors over multiple projects to derive cost efficiencies. There can be no assurance that the sub-contractors will continue to perform their obligations to the same standards as those required by us or that our contractors will be able to enter into new or continue their existing arrangements with sub-contractors on acceptable terms, which could have an adverse effect on our manufacturing costs and schedules, which may impact our business and profitability. Further, our sub-contractors may fail to comply with applicable laws including labour laws, regulations and governance requirements. In such an event, we may be held accountable for the consequences of such non-compliance which may result in fines, penalties or other regulatory actions, leading to disruption of operations and impact on financial performance.

18. Our insurance coverage may not adequately protect us from all material risks and liabilities.

The use of heavy machinery at our manufacturing plants, which is an integral part of our production process, carries risks such as industrial accidents, bodily harm arising from loud noise, handling heavy machinery and hazardous chemicals, fires, explosions, environmental hazards (such as the accidental release of pollutants or hazardous substances) and other unanticipated incidents, each of which may result in disruptions to our business, damage our manufacturing plants, cause environmental pollution or result in injury and death of our employees. There is no assurance that such instances will not occur or that we will be able to settle the disputes on time or at all, which will negatively affect our reputation and results of operations.

As of September 30, 2026, we have 100% or more insurance coverage of the book value of our fixed assets and inventories and 100% of our employees have accident insurance. Further, in the six months ended September 30, 2026 and in Fiscals 2026, 2025 and 2024, we did not incur any loss vis-à-vis our insurance cover. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms.

Even if our insurance coverage is adequate to cover our direct losses, we may not be able to take remedial actions or other appropriate measures in a timely manner or at all. Furthermore, our claim records may affect the premiums which insurance companies may charge us in the future. In addition, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. The occurrence of an event for which we are not insured, where the loss is more than the insured limits or where we are unable to successfully assert insurance claims for losses, could result in uninsured liabilities. Any uninsured losses or liabilities could result in an adverse effect on our business operations, financial condition and results of operations.

19. We may be unable to adequately protect our intellectual property rights and may be subject to intellectual property infringement claims, either of which may substantially harm our business.

We regard our trademarks and other similar intellectual property rights as critical to our success and have obtained or applied for trademarks and designmarks for various trucks and buses, parts and technologies. We have invested significant resources to develop our own intellectual property. While we seek to protect our intellectual property rights, policing unauthorised use of intellectual property rights is difficult and sometimes practically infeasible, and there is no assurance that the steps we have currently taken will prevent misappropriation or infringement of our intellectual property rights. Any misappropriation or infringement could materially and adversely affect our results of operations and financial condition.

As of September 30, 2026, we have applied for 14 trademarks under the Trade Marks Act, 1999, of which seven have been registered, three have been opposed and four have been objected to. We have also applied for 10 designs, of which seven have been accepted and published, we are awaiting a response on two, and one is awaiting technical examination. We cannot assure you that all our pending applications will result in issued trademarks or designs. There can be no assurance that we will be able to renew the registration in a timely manner or at all. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. We may also be harmed by the actions of or negative press relating to entities which have similar names to us. Any unauthorised or inappropriate use of our brand, trademarks and other related intellectual property rights by others in their corporate names,

product brands or otherwise could harm our brand image, competitive advantages and business, and dilute or harm our reputation and brand recognition.

Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain and use our intellectual property or seek court declarations that they do not infringe upon our intellectual property rights. Monitoring unauthorised use of our intellectual property is difficult and costly, and we cannot assure you that the steps we have taken or will take will prevent misappropriation of our intellectual property. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources.

20. A significant portion of our revenue from operations is derived from the manufacture and sale of buses, which contributed 70%, 73% and 71% of our revenue from operations in Fiscals 2026, 2025 and 2024, respectively. Any decline in demand for buses or our inability to sell buses as anticipated may materially and adversely affect our business, results of operations, financial condition and cash flows.

We are dependent on the manufacture and sale of buses for a major portion of our revenue from operations, which exposes us to a high degree of product concentration risk. In Fiscals 2026, 2025 and 2024, revenue from the sale of buses constituted 70%, 73% and 71% of our revenue from operations, respectively, with the balance being attributable to spare parts, after-sales services, other vehicle categories.

While we are taking various initiatives to diversify our revenue from other segments, our current reliance on passenger vehicles (buses) exposes us to several risks, including a reduction in demand for buses on account of changes in passenger transport policies, shifts in commuter preferences towards alternative modes of public transport such as metro rail or ride-hailing services, or adverse macroeconomic conditions affecting fleet expansion by central and state government agencies and private fleet operators; increased competition from domestic and international bus manufacturers and original equipment manufacturers ("**OEMs**"), including the introduction of alternate fuel or electric bus platforms that may gain wider market acceptance; fluctuations in the price and availability of key raw materials and inputs such as steel, aluminium, chassis, electrical and pneumatic systems and other ancillary components used in bus body building and assembly; changes in applicable regulatory standards, including amendments to the Central Motor Vehicles Rules, 1989 ("**CMVR**"), Automotive Industry Standards specifications, Bharat Stage emission norms, or the Bus Body Code, which may require design modifications, additional capital expenditure or re-certification of our products.

We are also exposed to the cyclical nature of institutional procurement, as a substantial portion of demand for our buses is linked to tenders central and state government agencies, the timing and quantum of which may vary based on policy priorities, budgetary allocations and electoral cycles; and adverse developments affecting the passenger transportation sector generally, including regulatory changes to stage carriage and contract carriage permit regimes under the Motor Vehicles Act, 1988 (as amended), which may impact fleet replacement cycles and new bus procurement by our customers.

We face strong competition in these tenders from domestic truck and bus manufacturers, body builders and operators. Some of them may have greater financial, technical and marketing resources, larger production capacity, wider service networks or lower costs than we do. Competitors may also bid aggressively on price to win contracts, which may require us to bid at lower margins or not bid at all. In addition, tenders may get cancelled or re-issued at the discretion of the relevant government authorities, which may also reject any or all bids without giving reasons or reduce the quantities they procure. Tenders may also be challenged or delayed by litigation or by complaints from unsuccessful bidders. Thus, there can be no assurance of revenue derived from government tenders in the future.

Our results of operations are dependent on our ability to anticipate and respond to evolving specifications and procurement requirements our customers, and to develop bus models including electric, hybrid, CNG and diesel variants in line with shifting regulatory mandates and customer preferences. Any inability on our part to adapt to changing market conditions, comply with evolving regulatory standards or diversify our product portfolio beyond buses could result in a decline in revenue, which may not be adequately offset by revenue from our other product lines or service offerings. Although we have not experienced any decline in the sale of buses in the past three Fiscals, there can be no assurance that such a decline will not occur in the future. Any material and sustained reduction in demand for buses, or our failure to diversify our revenue base, could materially and adversely affect our business, results of operations, financial condition and cash flows.

21. We outsource certain operations of our business, including the fabrication and supply of bus body components, sub-assemblies, ancillary parts, painting and finishing, and transportation and logistics, to third-party vendors and contractors. Any failure by such third parties to deliver their products or services in a timely manner, or at all, or to meet our quality, safety and regulatory compliance standards, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We rely on third-party vendors, job workers and contractors for certain aspects of our bus manufacturing and business operations, including the fabrication and supply of bus body structural members, sheet metal components and sub-assemblies; job work for certain processes; and transportation and logistics for delivery of raw materials to our manufacturing facilities and dispatch of finished buses to customers.

Our reliance on these third parties subjects us to various risks, including insufficient quality controls or failures in the quality assurance systems of our third-party fabricators and component suppliers, resulting in bus body parts, sub-assemblies or finished components that do not conform to our design specifications, AIS/CMVR safety and structural standards or customer-stipulated requirements, which may in turn lead to product recalls, warranty claims or the rejection of buses at the pre-delivery inspection stage; interruptions to the operations of such third parties due to strikes, lockouts, work stoppages or other forms of labour unrest; planned or unplanned shutdowns, or non-compliance with applicable government regulations; and significant adverse changes in the financial or business conditions of our third-party vendors, which may disrupt our supply chain and affect our ability to fulfil bus delivery schedules committed to our customers.

While we maintain oversight through vendor qualification and evaluation processes, periodic quality audits, incoming material inspections and standard operating procedures, our control over these third-party partners is inherently limited compared to in-house operations. There have been no instances in the past three Fiscals where the operations of our third-party vendors or contractors were materially disrupted or where such disruptions had a material adverse impact on our business, results of operations or financial condition. However, we cannot assure you that such instances will not arise in the future. Any of the foregoing risks, individually or in combination, could materially and adversely affect our business, results of operations, financial condition and cash flows.

22. Failure to accurately appraise the creditworthiness of our dealers or customers may adversely impact our business.

We may be affected by the failure of our employees to comply with our internal procedures requiring extensive appraisal of credit or financial worth of our dealers or customers. A failure or inaccuracy in the appraisal of the creditworthiness of our dealers or customers by our employees may result in credit being extended to them, which may eventually result in bad debts in our books of account. If we are unable to control the risks arising out of such lapses, it may have an adverse effect on our business and results of operations.

23. Our inability to assess, monitor and manage risks inherent in our business may have an adverse effect on our business and results of operations.

The effectiveness of our risk monitoring and management is limited by the quality, timeliness and availability of data required for the assessment of the risks, such as information regarding the market, customers and proposed policy changes. Such data may not be accurate or complete in all cases thereby affecting our ability to assess, monitor and manage risks. Our hedging strategies and other risk management techniques may not be fully effective in mitigating all the types of risks that we may face. Largely, our risk management is based on the study of historical market behaviour and as a result these studies may not predict the future risk exposures. Our risk management policies therefore may not adequately address unidentified or unanticipated risks in all cases. Any inadequacy in the timely assessment and mitigation of risks may have an adverse effect on our business and results of operations.

24. Our Company is involved in legal proceedings. An unfavourable outcome in any of these matters could negatively affect our business, operations, financial condition, and cash flows.

There are outstanding legal proceedings involving our Company. These proceedings are pending at levels of adjudication before various courts, including certain criminal cases that have been filed by and against our Company in the nature of alleged dishonour of cheque, recovery, supply of defective vehicles, etc. As on the date of this Letter of Offer, neither our Company nor our Promoter nor our Directors have been issued any show-cause notice(s) by SEBI or the Adjudicating Officer in a proceeding for imposition of penalty. Further, there are no prosecution proceedings that have been initiated against them by SEBI. For further details please see "*Summary of this Letter of Offer - Summary of outstanding litigation and defaults*" on page 15 of this Letter of Offer. We evaluate and contest such matters, where appropriate, based on the advice of legal and other professional advisors. While we believe that we have valid grounds to defend our positions, any unfavourable decision in these or other proceedings could have a material adverse effect on our business, financial condition, and results of operations.

We cannot guarantee a favourable outcome in ongoing legal proceedings, and any adverse rulings could affect our business and financial condition, particularly if the disputed amounts are significant. Litigation may also deplete our financial resources. Changes in law or unfavourable regulatory decisions could lead to increased provisions and liabilities.

25. We have certain contingent liabilities, which, if materialised, may adversely affect our financial condition.

As of March 31, 2026, our contingent liabilities not provided for, amounting to ₹27.84 crores determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts, were as follows:

(a) Claims against the Company not acknowledged as debts:

(Amount in ₹ lakhs)

	As at March 31, 2026
Income tax matters	1,896.38
Sales tax and Goods and service tax matters	184.67
Excise and service tax matters	19.18

	As at March 31, 2026
Civil matters	683.70
	2,783.93

The above matters comprise proceedings pending with various direct tax, indirect tax and other authorities.

(b) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

Although our Company believes that adequate provisions have been made where required, there can be no assurance that the ultimate outcomes of these matters will not be materially adverse.

Further, the contingent liabilities disclosed in our Audited Financial Statements represent estimates and assumptions of our management. In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected and the amount of liability may be greater than what was recognised.

26. The success of our business relies on the expertise of our employees including key managerial personnel and senior management, as well as our ability to attract, train, and retain skilled employees.

The success of our business operations is largely driven by the expertise of our employees. Our ability to sustain our growth depends on attracting and retaining top talent, developing managerial skills to address emerging business challenges, and maintaining high customer service standards.

Hiring and retaining qualified personnel, particularly in the core business functions, is a significant challenge. We also face attrition due to increasing competition and other industry factors. If we fail to attract or retain skilled employees, our ability to expand could be hindered, and revenue may decline. We would need to recruit and train new hires while also ensuring existing employees adhere to internal controls and risk management procedures. Failure to properly train and motivate our workforce could lead to higher attrition, reduced customer service quality, and increased hiring costs, potentially diverting management resources and increasing exposure to high-risk credit. The loss of key management or failure to retain talented personnel could have a negative impact on our business and future financial performance.

Any strike, agitation, or labour unrest involving our employees could disrupt our operations and negatively affect our business. Such actions may lead to decreased productivity, delays in services, and increased costs related to resolving labour disputes. If prolonged, they could also harm our reputation, employee morale, and relationships with customers. Additionally, labour disruptions could affect our ability to meet operational targets, attract and retain key talent, and impact our financial performance. While we strive to maintain a positive work environment and address employee concerns proactively, there can be no assurance that we will be able to prevent or quickly resolve any such disputes.

27. We intend to utilise a portion of the Net Proceeds to purchase equipment and components for the capacity expansion and plant modernization, which is subject to cost escalation and is also based on quotations that may be subject to change or may expire. We are yet to place orders for the purchase of such equipment and components, and we cannot assure you that we will be able to place orders for such equipment and components, in a timely manner or at all.

We intend to utilise a portion of the Net Proceeds to fund capital expenditure for the capacity expansion of our bus body plant, including the consolidation of the bus body manufacturing operations of MTBD and our Company at a common manufacturing location. This capital expenditure consists of procurement, installation, assembly and integration of various equipment and components, including, *inter alia*, (i) paint shop equipment, (ii) civil works, (iii) press brakes, (iv) air purification towers (collectively, "**Equipment**"). We procure the Equipment from various third-party vendors.

We propose to utilise an estimated amount of ₹ 125.00 crores from the Net Proceeds towards installation of equipment at our manufacturing facility located at our Plant. This will support higher production volumes, establishment of dedicated production lines within a new manufacturing bay, deployment of tooling and fixtures, related civil infrastructure, enhancement of material handling systems, utilities, inspection and testing facilities, and other supporting infrastructure required for the expanded production capacity. Further, the project also includes the upgradation and expansion of the paint shop, incorporating state-of-the-art robotic primer and top-coat application systems. The automation of painting operations will also contribute to improved productivity and reduced process variability. For further information, see "*Objects of the Issue – Details of the Objects of the Issue – Funding capital expenditure for capacity expansion of bus body plant*" on page 45. We cannot assure you that we will be able to place orders for such Equipment in a timely manner or at all, or that the same vendors would be engaged to supply the Equipment at the same costs.

Certain quotations stipulate that the actual purchase price is subject to change at the time of placing orders, and some quotations do not include costs of freight, insurance and other applicable taxes. If our actual expenses on Equipment significantly exceed our estimates, or there is a delay in the delivery of such Equipment, we may not be able to achieve the intended economic benefits, which may adversely affect our results of operations, financial condition, cash flows, and prospects. We may not be able to install and duly utilise the Equipment due to factors beyond our control such as labour shortages, inadequate performance, defects in design or construction, unanticipated regulatory restrictions, taxes and duties, or delays in receiving governmental, statutory and other regulatory approvals. If we experience significant delays in implementation or significant cost overruns, the overall benefit of such plans to our revenues and profitability may decline, and our profitability and financial condition may be adversely affected. For risks related to our proposed capacity expansion, see "*– We plan to increase our bus body manufacturing capacity and modernization. If such expansion does not lead to increases in our revenue from operations, it could have an adverse effect on our business, results of operations, financial condition and cash flows. Further, our proposed capacity expansion plan is subject to the risk of unanticipated delays in implementation and cost overruns.*" on page 28.

28. We propose to acquire the truck and bus division of Mahindra & Mahindra Limited. If such acquisition and integration is not completed or does not yield the expected synergies, it could have an adverse effect on our business, results of operations, financial condition, cash flows and prospects. Further, the integration of the acquired business is subject to various risks and uncertainties.

Strategic acquisitions and alliances could subject us to risks including sharing proprietary information, non-performance by counterparties, and increased expenses, any of which may materially and adversely affect our business. Strategic acquisitions and subsequent integrations of newly acquired businesses require significant managerial and financial resources, which could divert resources from our existing operations and negatively impact on our growth.

We have entered into a business transfer agreement dated August 5, 2026 ("**BTA**") with M&M, pursuant to which our Company proposes to acquire MTBD as a going concern on a slump sale basis, for a lump sum consideration of ₹ 525.00 crores, subject to working capital adjustment as set out in the BTA, without assigning individual values to the assets and liabilities comprised therein, payable in the manner set out in the BTA, pursuant to the fair value determined in accordance with the valuation report dated July 27, 2026, issued by a registered valuer. The acquisition has been approved by our Board by way of its resolution dated July 29, 2026 and by our Shareholders by way of postal ballot on September 6, 2026.

The Net Proceeds of the Issue will be partially utilised to fund the consideration payable towards this acquisition, together with the costs, stamp duty and other expenses incidental thereto. For further details, see "*Objects of the Issue – Details of the Objects – Funding of expenditure towards acquisition of Mahindra Truck and Bus Division of Mahindra & Mahindra Limited*" on page 43.

As part of the acquisition, MTBD's exclusive plant and machinery, tools and dies, sales and service network, assets, intellectual property, licences, permits, insurance policies, contracts, and related interests, rights and liabilities, together with its white-collar employees, will be transferred to our Company. Since MTBD currently operates from a manufacturing facility shared with M&M's auto division, M&M will continue to manufacture the relevant products on a contract manufacturing basis, as a related party transaction on terms agreed between the parties and as approved by the Board and our Shareholders, thereby introducing risks relating to M&M's manufacturing capacity, scheduling priorities, quality control and continued willingness to perform under such arrangement.

Following the acquisition of MTBD, we will depend on M&M under contract manufacturing arrangements for manufacture of certain products. Any disruption in such arrangements could adversely affect our business.

The acquisition is intended to create a unified, scaled commercial vehicle business, expected to result in cost efficiencies, operational synergies, strengthened industry positioning, access to M&M's infrastructure and technical expertise, and enhanced organisational capability. However, any failure to complete this transaction would have a substantial adverse effect on our operations and strategic objectives. For consequences of our inability to complete the transaction, please also see "*– Our funding requirements and proposed deployment of Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Any variation in the proposed utilisation of our Net Proceeds as disclosed in this Letter of Offer would be subject to certain compliance requirements, including prior Shareholders' approval.*" on page 30.

There is no assurance that the acquired business will generate expected financial results, synergies, or other benefits immediately, or at all. We have limited experience in integrating an acquired business of this size. We cannot assure you that the integration will succeed or will be completed within the expected time frame or budget. We also cannot assure you that the expected synergies, cost savings, revenue growth or other benefits of the proposed acquisition will be realised in full or at all, and integration costs may be higher than our expectation. MTBD may also not perform in line with the projections and assumptions on which we based our decision to acquire it and the consideration payable.

The costs and duration of integrating MTBD could materially exceed our expectations. We may face reputational or financial risks in resolving outstanding litigation, contractual liabilities, or financial indebtedness that come with this acquisition. We may also face operational and structural integration challenges in integrating IT systems, aligning manufacturing and supply

chain processes, retaining key employees, rationalising product portfolios, and meeting increased regulatory and compliance requirements. If any of such challenges are not resolved in our favour, our business, financial condition and results of operations will be materially and adversely affected.

29. Our funding requirements and proposed deployment of Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Any variation in the proposed utilisation of our Net Proceeds as disclosed in this Letter of Offer would be subject to certain compliance requirements, including prior Shareholders' approval.

We propose to use the Net Proceeds towards funding of expenditure towards acquisition of MTBD, funding capital expenditure for capacity expansion of bus body plant, funding of R&D towards new product and aggregates development and upgradation of existing products and meeting mandatory regulatory compliance and general corporate purposes. We have appointed a monitoring agency to monitor the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the utilisation of the Net Proceeds, which may be on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management, would require a special resolution of the Shareholders and we will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects of the Issue, at such price and in such manner in accordance with applicable law. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

Our funding requirements and deployment of Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other external agency. Further, in the absence of such external appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "*Objects of the Issue*" on page 41.

30. We are exposed to cybersecurity risks, and any cyber-attack, security breach or failure of our information technology systems could adversely affect our business, reputation, results of operations, cash flows and financial condition.

Our day-to-day operations depend on information technology ("**IT**") systems, networks and data, including systems provided or hosted by third-party service providers. In the ordinary course of business, we collect, store and process confidential business information as well as personal data of our customers, employees, vendors and other stakeholders. Like other businesses, we face risks from cyber-attacks and other threats to our IT systems. These include ransomware, malware, phishing, hacking, unauthorised access, denial-of-service attacks, and errors or misconduct by employees or third parties. These threats are becoming more frequent and sophisticated, and they may be hard to detect or prevent. Our systems may also be disrupted by hardware or software failures, power or network outages, natural disasters or other events beyond our control.

Any cyber-attack, security breach or system failure could: disrupt or interrupt our operations; result in the loss, theft, corruption or unauthorised disclosure of confidential information or personal data; require us to incur significant costs to investigate, remediate and restore our systems; expose us to claims, litigation, penalties and regulatory action; and harm our reputation and the confidence of our customers and business partners.

We must also comply with applicable laws on information security and data protection in India, including the Information Technology Act, 2000 and the rules made under it, and the Digital Personal Data Protection Act, 2023 and the rules made thereunder. These laws continue to evolve. Complying with them may increase our costs, and any failure to comply could result in significant penalties. Although we have adopted measures to protect our IT systems and data, we cannot assure you that these measures will be adequate or effective against every threat. Our insurance may also not fully cover the losses from such incidents. Any incident of breach of our cybersecurity could adversely affect our business, reputation, results of operations, cash flows and financial condition.

31. Our ability to pay dividends in the future will depend on our earnings, financial condition, capital expenditures and future cash requirements for expansion, etc. We have paid dividends of ₹ 23.50, ₹ 18.00 and ₹ 16.00 per Equity Share for each of the Fiscals 2026, 2025 and 2024. Failure to pay dividends in the future may lead to a negative perception of our business among investors, which may have a material adverse effect on our business, results of operations, financial condition and the price of the Equity Shares.

We paid dividends amounting to ₹ 23.50, ₹ 18.00 and ₹ 16.00 per Equity Share for each of the Fiscals 2026, 2025 and 2024. We cannot assure you that we will be able to declare dividends in the future. Our ability to pay dividends in the future will depend on a number of factors including our earnings, financial condition, cash flow, capital expenditure, future cash requirements for expansion and cost of external financing. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including, among others, our future earnings, financial condition, cash requirements, business prospects and our financing arrangements. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Further, we cannot assure you that we will be able to pay any dividends in the future. Accordingly, the realisation of a gain on your investments may depend on the appreciation of the price of our Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. Failure to pay dividends in the future may lead to a

negative perception of our business among investors, which may have a material adverse effect on our business, results of operations, financial condition and the price of the Equity Shares.

32. We operate in a highly competitive industry, and our failure to compete effectively could adversely affect our market share, pricing and profitability.

The commercial vehicle industry in India and in our export markets is highly competitive. We compete with established domestic and international manufacturers, some of which have greater financial, technical, marketing and distribution resources, wider product portfolios, stronger brand recognition and longer experience with alternative fuel and electric technologies. New entrants, including in the electric vehicle segment, may also intensify competition. Competition may result in pricing pressure, increased marketing and incentive costs, loss of market share and reduced margins. If we are unable to compete effectively, our business, results of operations and financial condition could be adversely affected.

33. We may be subject to product liability claims, warranty claims and product recalls, which could be costly and harm our reputation.

Our vehicles are used for the carriage of goods and passengers, including school children, and any defect or alleged defect in design, manufacture or components could result in accidents, injury or loss of life, product liability claims, regulatory action, warranty costs and recalls or field actions. We provide warranties on our products and make provisions for expected warranty costs, which may prove inadequate. Our insurance may not cover all such claims, and any such event could harm our reputation and brand and adversely affect our business, results of operations and financial condition.

34. Safety incidents involving our vehicles or occurring at our facilities could result in liability, regulatory action, loss of customers and reputational harm.

Our vehicles, including buses that carry passengers and school children, are used on roads where accidents may occur, and any accident that is alleged to result from a defect in our vehicles, their components or the quality of our after-sales service could lead to injury or loss of life. Electric and alternative-fuel vehicles, including battery systems, carry additional risks such as thermal events and fires, which have been the subject of regulatory scrutiny in India. A serious safety incident, or a pattern of incidents, could result in criminal or civil proceedings against us or our officers, compensation claims, inquiries by regulators, suspension or withdrawal of type approvals or certifications, mandatory recalls, cancellation of orders from state transport undertakings and other fleet customers, and damage to our brand and to the "Mahindra" brand.

We also operate heavy machinery and handle hazardous materials at our manufacturing facilities, and our workforce, contractors and visitors are exposed to the risk of industrial accidents, fires, explosions and exposure to hazardous substances. Any serious accident could cause injury or death, disrupt production, result in prosecution or penalties under applicable factory, labour and environmental laws, and increase our compliance and insurance costs. Our insurance may not cover all resulting losses, as described in "– *Our insurance coverage may not adequately protect us from all material risks and liabilities*" on page 25.

35. Our Promoter, M&M, exercises significant influence over us, and its interests may differ from those of other shareholders.

Our Promoter holds 58.97% of our paid-up Equity Share capital and, following the Issue and the proposed acquisition of MTBD, will continue to exercise significant influence over matters requiring shareholder approval, including the election of directors, related party transactions, dividends and fundamental corporate actions. We have entered into, and will continue to enter into, arrangements with M&M, including the trademark licence agreement and the contract manufacturing arrangements described above, and the interests of our Promoter may conflict with those of our other shareholders.

36. We have incurred, and may incur, indebtedness, and any inability to service it or to comply with financing covenants could adversely affect our business.

As of September 30, 2026, our total outstanding borrowings were ₹ 29.94 crores. Our financing arrangements contain restrictive covenants that may require lender consent for, among other things, changes in capital structure, dividend payments, acquisitions and the creation of security. Any breach could result in acceleration of repayment, cross-defaults and higher borrowing costs, and our working capital requirements may increase following the acquisition of MTBD.

37. Our operations and those of our suppliers and dealers are exposed to natural disasters, pandemics, labour disruptions and other events beyond our control.

Our manufacturing facilities, suppliers and dealer network may be disrupted by fire, floods, earthquakes, epidemics or pandemics, industrial action, power shortages or other events beyond our control, which could interrupt production, supply and sales. Our insurance may not cover all resulting losses.

Issue Related Risks

38. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure of completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case of On Market Renunciation, if the Rights Entitlements are not credited in time, such Renouncee will not be able to apply in the Issue with respect to such Rights Entitlements.

39. Transfers of Equity Shares by non-residents are subject to pricing, reporting and other requirements under Indian foreign exchange laws.

Foreign investment in our Company is permitted under the automatic route under the foreign exchange laws in India, and no prior approval of the Government of India or the RBI is required. Transfers of Equity Shares between residents and non-residents are generally permitted under the automatic route. They must, however, comply with the pricing guidelines, documentation and reporting requirements prescribed under the Foreign Exchange Management Act, 1999 and the rules and regulations made under it. If a transfer of Equity Shares does not comply with these requirements, or falls outside the automatic route, the prior approval of the RBI or other relevant authority may be needed. We cannot assure you that such approval will be obtained in time, on favourable terms or at all. In addition, the Government of India may change foreign exchange laws, or impose restrictions in exceptional circumstances such as balance of payments difficulties or serious disturbances in financial markets. Any such change could affect the ability of non-resident shareholders to transfer Equity Shares or repatriate sale proceeds.

Our corporate affairs are governed by our Articles of Association and Indian law, which may differ from those in other jurisdictions. Shareholders' rights under Indian law, including in relation to class actions, may not be as extensive as in other countries, potentially making it more difficult for investors to assert their rights.

40. There are significant differences between Indian GAAP, Ind AS, and other accounting standards such as IFRS and U.S. GAAP, which may affect investors' assessment of our financial position.

We have not quantified the impact of U.S. GAAP or IFRS on our financial data, nor have we provided a reconciliation of our financial statements to these standards. As U.S. GAAP and IFRS differ significantly from Ind AS and Indian GAAP, the relevance of our financial statements in this document largely depends on the reader's familiarity with Indian accounting practices. Therefore, those not familiar with Indian accounting standards should limit their reliance on the financial information presented.

41. Our business may be influenced by seasonal trends in the Indian economy. Any significant events or economic slowdowns during peak seasons could materially and negatively impact our operations, cash flows, and growth.

Our business may be impacted by seasonal trends in the Indian economy. This seasonality often leads to higher business volumes. However, any significant event or economic slowdown during this peak period could materially and adversely affect our operations, cash flows, and growth.

42. You may not receive the Equity Shares that you subscribe for in this Issue until two days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you may be Allotted in this Issue may not be credited to your demat account with the depository participants until approximately two days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. We cannot assure you that the Equity Shares allocated to you will be credited to your demat account, or that trading in such Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

43. Eligible Equity Shareholders holding Equity Shares in physical form will not be credited with their Rights Entitlements until they provide details of their demat account, and such Rights Entitlements will lapse if these details are not provided within the prescribed timelines.

In accordance with the SEBI ICDR Master Circular, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The

Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialised form (except in case of transmission or transposition of Equity Shares). For further information, see "*Terms of the Issue*" on page 74.

Further, in case bank accounts of the aforesaid Eligible Equity Shareholders cannot be identified due to any reason or bounce back from such bank accounts, our Company may use payment mechanisms such as cheques, demand drafts etc. to remit the proceeds of sale of the Equity Shares to such Eligible Equity Shareholders. If such bank account from which Application Money was received is closed or non-operational, the sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.

44. Any future issuance of Equity Shares, convertible securities, or other equity-linked instruments by our Company may result in the dilution of your shareholding and negatively impact the trading price of our Equity Shares.

Any future issuance of Equity Shares by us may dilute your shareholding in our Company and could affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. The capital from such issuances may be used to fund our growth plans, capital expenditure, working capital needs or other general corporate purposes. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. The disposal of Equity Shares by our Promoter, or the perception that such sales may occur, may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter will not dispose of, pledge or encumber our Equity Shares in the future.

45. Our Company will not distribute Issue related materials to overseas shareholders who have not provided an address in India for service of documents.

We will not distribute the Issue Materials to Eligible Equity Shareholders who have not provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India due to legal and regulatory restrictions applicable to the offer, distribution or circulation of such materials in certain jurisdictions outside India. Accordingly, Eligible Equity Shareholders who have a registered address outside India and who have not provided an address in India may not receive the Issue Materials and may be unable to participate in the Issue. In cases where Eligible Equity Shareholders who have provided an address in India have provided a valid e-mail address, this Letter of Offer will be sent to such e-mail address. Where such Eligible Equity Shareholders have not provided a valid e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

However, the Companies Act requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its shareholders to provide an address in India for the purposes of distribution of Issue Materials, our Company cannot assure you that the regulator would not adopt a different view with respect to compliance with the Companies Act and may subject our Company to fines or penalties.

46. You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Equity Shares.

Under the current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable. Additionally, a securities transaction tax ("**STT**") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any capital gain realised on the sale of listed equity shares on the stock exchanges held for more than 12 months immediately preceding the date of transfer will be subject to long-term capital gains tax in India. Such long-term capital gains exceeding ₹125,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 12.50% (plus applicable surcharge and cess as imposed by stock exchanges and other intermediaries). This beneficial provision is subject to, among other things, payment of STT. Further, any capital gains realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognised stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India at the rate of 12.50% (plus applicable surcharge and cess).

Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India at the rate of 20.00% (plus applicable surcharge and cess as imposed by stock exchanges and other intermediaries), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. Capital gains arising from the sale of the Rights Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Rights Equity

Shares. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Rights Equity Shares.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on November 6, 2026, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our Board at its meeting held on November 16, 2026.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled "*Terms of the Issue*" beginning on page 74.

Rights Equity Shares being offered by our Company	Up to 4,134,756[*] Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	2 (Two) fully paid-up Rights Equity Share for every 7 (seven) fully paid-up Equity Shares held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue if the shareholding of any of the Eligible Equity Shareholders is less than 7 (seven) fully paid-up Equity Shares or is not in multiple of 7 (seven) fully paid-up Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	November 20, 2026
Face Value per Equity Share	₹ 10 each
Issue Price	₹ 3,506.00 (Rupees Three Thousand Five Hundred and Six Only) per Rights Equity Share (including a premium of ₹ 3,496.00 (Rupees Three Thousand Four Hundred and Ninety Six Only) per Rights Equity Share)
Voting Rights and Dividend	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of voting rights and dividends. Such dividend, as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law[^].
Issue Size	Up to ₹ 1,449.65 crores[*]
Equity Shares issued prior to the Issue	14,484,946[#] Equity Shares of face value of ₹10 each. For details, see "*Capital Structure*" beginning on page 39.
Equity Shares subscribed, paid-up and outstanding prior to the Issue.	14,471,646[#] Equity Shares of face value of ₹10 each. For details, see "*Capital Structure*" beginning on page 39.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	18,606,402*[#] Equity Shares of face value of ₹10 each
Security Codes for the Equity Shares	ISIN for Equity Shares: INE294B01019 BSE: 505192 NSE: SMLMAH
ISIN for Rights Entitlements	INE294B20019
Terms of the Issue	For further information, see "*Terms of the Issue*" beginning on page 74.
Use of Issue Proceeds	For further information, see "*Objects of the Issue*" beginning on page 41.

**Assuming full subscription in the Issue and Allotment. Subject to finalization of the Basis of Allotment.*

[#] 13,300 Equity Shares were forfeited, due to non-receipt of allotment money.

[^] Our Board, in their meeting held on April 20, 2026, have recommended a dividend of ₹ 23.50 per Equity Share of face value of ₹ 10.00 each for the Financial Year ended March 31, 2026, and the same was approved by the Shareholders in the AGM held on July 21, 2026. For the purpose of dividend payment, the record date has been set as July 3, 2026.

For details in relation to fractional entitlements, see *"Terms of the Issue – Basis for this Issue and Terms of this Issue – Fractional Entitlements*" on page 89.

Terms of Payment

Due Date	Face Value (₹)	Premium (₹)	Total amount payable per Rights Equity Share (including premium)(₹)
On Application (*i.e.*, along with the Application Form)	10.00	3,496.00	3,506.00

For further details on Payment Schedule, see "*Terms of the Issue – V. Mode of Payment*" on page 88.

GENERAL INFORMATION

SML Mahindra Limited (*formerly known as SML Isuzu Limited*) ("**Company**" or "**Issuer**") was originally incorporated at Mohali, as "Swaraj Vehicles Limited" on July 26, 1983 as a public limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Thereafter, our Company received its certificate of commencement of business from Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar on September 12, 1983. Subsequently, the name of our Company was changed to "*Swaraj Mazda Limited*" and a fresh certificate of incorporation consequent upon change of name was granted to our Company by Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar on November 27, 1984. Subsequently, pursuant to a resolution passed by our Board on October 1, 2010 and by our Shareholders on November 18, 2010, the name of our Company was changed from '*Swaraj Mazda Limited*' to '*SML Isuzu Limited*' and a fresh certificate of incorporation consequent to the change in name of our Company was issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Chandigarh on January 3, 2011. Further, pursuant to the board resolution dated August 19, 2025 and shareholders' resolution dated September 26, 2025 the name of our Company was changed from '*SML Isuzu Limited*' to '*SML Mahindra Limited*' and a fresh certificate of incorporation consequent upon change of name was granted on October 8, 2025, by the Registrar of Companies, Central Processing Centre.

Registered Office
Village Asron
District, Shahid Bhagat Singh Nagar,
Nawanshahr, Punjab -144 533, India

Corporate Office
1st Floor, T7 Tech Park C-119
Industrial Area, Phase 7, Sector 73
Mohali, SAS Nagar,
Punjab – 160 055, India
Corporate Identity Number: L50101PB1983PLC005516
Registration Number: 005516

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies Punjab and Chandigarh at Chandigarh
Corporate Bhavan, 1st Floor
Plot no. 4-B, Madhya Marg, Sector 27B
Chandigarh 160 019, India

Company Secretary and Compliance Officer

Parvesh Madan is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Parvesh Madan
1st Floor, T7 Tech Park C-119
Industrial Area, Phase 7, Sector 73
Mohali, SAS Nagar
Punjab – 160 055, India
Tel: 0172-2647700-02 / 4155901
E-mail: investors@smlmahindra.com

Statutory Auditors of our Company

B S R & Co. LLP, Chartered Accountants
Unit No. A 505A, 5th Floor,
Plot No. 178-178A, Elante Offices,
Industrial Area, Phase 1, Chandigarh -160 002
Tel: 0172 – 672 3400
E-mail: gmahajan@bsraffiliates.com
Firm Registration Number: 101248W/W-100022
Peer Review Certificate Number: 019712

Banker to the Issue

Kotak Mahindra Bank Limited
Intellion Square, 501,
5th Floor, A Wing, Infinity IT Park,
Gen. A.K. Vaidya Marg,
Malad – East, Mumbai 400097
Tel: +9122-69410754
E-mail: cmsipo@kotak.com
Website: https://www.kotak.bank.in/
Contact Person: Sumit Panchal
SEBI Registration No.: INBI00000927
CIN: L65110MH1985PLC038137

Registrar to the Issue

KFin Technologies Limited
Selenium Tower-B, Plot No. 31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad, Telangana– 500 032, India
Telephone: +91 40 67162222/ 1800 309 4001
E-mail: smlmahindra.rights@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Williams R
SEBI registration no.: INR000000221

Legal Counsel to our Company

AZB & Partners
AZB House
Plot No. A8, Sector - 4
Noida 201 301
Telephone: +91 120 417 9999

AZB & Partners
AZB House
Peninsula Corporate Park
Ganapatrao Kadam Marg, Lower Parel
Mumbai 400 013
Telephone: +91 22 4072 9999

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see "*Terms of the Issue*" beginning on page 74.

Experts to the Issue

Our Company has received written consent from the Statutory Auditors, namely, B S R & Co. LLP, Chartered Accountants through their letter dated November 6, 2026, to include their name in this Letter of Offer, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of and inclusion of (i) Audited Financial Statements; (ii) September Unaudited Financial Results; (iii) their audit report dated April 20, 2026, in respect of the Audited Financial Statements; and (iv) Limited Review Report in respect of the September Unaudited Financial Results dated October 19, 2026 and such consent has not been withdrawn as of the date of this Letter of Offer.

Further, our Company has received written consent from B G S S & Associates, Chartered Accountants, one of the Independent Chartered Accountants for inclusion of the report on statement of possible special tax benefits available to our Company, and our shareholders dated November 6, 2026, and such consent has not been withdrawn as of the date of this Letter of Offer.

Further, our Company has received written consent from P Y S & Co LLP, Chartered Accountants, one of the Independent Chartered Accountants for inclusion of the carve-out financial information of the truck and bus division of Mahindra & Mahindra Limited dated November 5, 2026, and such consent has not been withdrawn as of the date of this Letter of Offer.

The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/PublicIssues/RtaDp.aspx and https://www.nseindia.in/static/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time and on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10, as updated from time to time.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed CARE Ratings Limited to monitor the utilization of the Gross Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

CARE Ratings Limited
4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), Mumbai-400022
Telephone number: 022-67543455
E-mail: meenal.sikchi@careedge.in
Website: http://www.careratings.com

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Underwriting

This Issue is not underwritten.

Filing

A copy of the Draft Letter of Offer was filed with the Stock Exchanges as required under the SEBI ICDR Regulations, the SEBI ICDR Master Circular and other circulars issued by SEBI.

Further, this Letter of Offer is also being filed with the Stock Exchanges and with SEBI in accordance with SEBI ICDR Regulations.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer and the details of the Rights Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue is as set forth below:

(In ₹, except share data)

	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	40,000,000 Equity Shares of ₹ 10 each	40,00,00,000	NA
B	**ISSUED, SHARE CAPITAL BEFORE THE ISSUE#**		
	14,484,946 Equity Shares of ₹ 10 each	14,48,49,460	NA
	TOTAL	**14,48,49,460**	
C	**SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE#**		
	14,471,646 Equity Shares of ₹ 10 each	14,47,16,460	N.A.
	TOTAL	**14,47,16,460**	
D	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**		
	Up to 4,134,756 Rights Equity Shares of ₹ 10 each (1)	Up to 41,347,560	Up to 14,496,454,536(2)
E.	**ISSUED, SHARE CAPITAL AFTER THE ISSUE#**		
	18,619,702 Equity Shares of ₹ 10 each	186,197,020	N.A.
F.	**SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE(2) #**		
	18,606,402 Equity Shares of ₹ 10 each	186,064,020	N.A.
SECURITIES PREMIUM ACCOUNT		***(in ₹ crores)***	
Before the Issue(3)			74.53
After the Issue(2)			1520.04

 # 13,300 Equity Shares were forfeited, due to non-receipt of allotment money.

(1) The Issue has been authorised by our Board pursuant to a resolution dated November 6, 2026. The terms of the Issue including and Record Date and Rights Entitlement ratio have been approved by our Board pursuant to a resolution dated November 16, 2026.

(2) Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.

(3) As on date of this Letter of Offer.

Notes to the Capital Structure

1. **Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI LODR Regulations**

   a) The shareholding pattern of our Company as on September 30, 2026, can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/sml-mahindra-ltd/smlmah/505192/qtrid/131.00/shareholding-pattern/sep-2026; and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SMLMAH&tabIndex=equity#.

   b) The statement showing holding of Equity Shares of persons belonging to the category "*Promoter and Promoter Group*" including the details of lock-in, pledge of and encumbrance thereon, if any, as on September 30, 2026, can be accessed on the website of BSE at https://www.bseindia.com/corporates/shppromoterngroup?scripcd=505192&qtrid=131.00&QtrName=Sep-26; and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SMLMAH&tabIndex=equity.

   c) The statement showing holding of Equity Shares of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2026, as well as details of shares which remain unclaimed for public can be accessed on the website of BSE at https://www.bseindia.com/corporates/shppublicshareholder?scripcd=505192&qtrid=131.00&QtrName=Sep-26; and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SMLMAH&tabIndex=equity#.

2. No Equity Shares have been acquired by our Promoter or members of our Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange.

3. Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of this Letter of Offer.

4. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other convertible instruments into our Equity Shares as on the date of this Letter of Offer.

5. As on date of this Letter of Offer, none of the Equity Shares or other securities held by the Promoter or the members of the Promoter Group of our Company are locked in, pledged, or otherwise encumbered.

6. The ex-rights price of the fully paid-up Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 5235.33 per Equity Share.

7. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid-up.

8. **Details of the Equity Shareholders holding more than 1% of the paid-up and subscribed share capital of the Company**

The table below sets forth details of Equity Shareholders holding more than 1% of the paid-up and subscribed share capital of our Company, as of September 30, 2026:

Sr. No	Name of the Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held (%)
1.	Mahindra & Mahindra Limited	8,533,726	58.97
2.	SPV Traders (*Sachin Bansal-Partner*)[#]	585,000	4.04
3.	Anandam Enterprises (*Sachin Bansal- Partner*)[#]	445,000	3.08
4.	Vanaja Sundar Iyer	325,554	2.25
5.	Navodya Enterprises(*Sachin Bansal-Partner*)[#]	250,000	1.73

[#] *As on September 30, 2026, Navodya Enterprises (Acquirer) along with Person Acting in Concert (PAC) - SPV Traders, Anandam Enterprises and Sachin Bansal, holds 12,82,100 shares, i.e., 8.86% of the Company.*

OBJECTS OF THE ISSUE

The Issue comprises up to 4,134,756 Rights Equity Shares of face value of ₹ 10 each for a cash price at ₹ 3,506.00 per Rights Equity Share (including a premium of ₹ 3,496.00 per Rights Equity Share) aggregating up to ₹ 1,449.65 crores. For further details, see "*Summary of this Letter of Offer*" and "*The Issue*" on pages 14 and 35, respectively.

Our Company intends to utilise the Net Proceeds from the Issue towards funding of the following objects:

1. Funding of expenditure towards acquisition of truck and bus division of Mahindra & Mahindra Limited ("**MTBD**");
2. Funding capital expenditure for capacity expansion and plant modernization;
3. Funding of R&D towards new product and aggregates development and upgradation of certain products and meeting regulatory compliance; and
4. General corporate purposes.

(collectively, referred to herein as the "**Objects**")

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable our Company to undertake (i) our existing activities; (ii) the activities for which the funds are being raised by our Company through this Issue; and (iii) activities for which funds earmarked towards general corporate purposes shall be used. In the event of a change in the final Issue size, the amounts shown in the table below against each of the use of proceeds specified therein shall be modified based on the final Issue size in this Letter of Offer.

Issue Proceeds

The details of the proceeds from the Issue are provided in the following table:

Particulars	Estimated amount (in ₹ crores)
Gross proceeds from the Issue[*]	1,449.65
(Less) Issue related expenses[**]	(5.42)
Net Proceeds[**]	**1,444.23**

[*] *Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement Ratio.*
[**] *To be finalized upon determination of the Issue Price and updated in this Letter of Offer. For further details, see "– Estimated Issue Expenses" on page 49.*

Requirements of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

Particulars	Estimated amount (in ₹ crores)
Funding of expenditure towards acquisition of truck and bus division of Mahindra & Mahindra Limited ("**MTBD**")	525.00
Funding capital expenditure for capacity expansion and plant modernization	125.00
Funding of R&D towards new product and aggregates development and upgradation of certain products and meeting regulatory compliance	450.00
General corporate purposes[*#]	344.23
Net Proceeds[#]	**1,444.23**

* *The amount utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*
\# *Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement Ratio.*

Pursuant to a resolution passed by our Board dated November 6, 2026, our Company has approved the utilisation of the Net Proceeds for the Objects, in accordance with the schedule of deployment and implementation. For further details, see "*Material Contracts and Documents for Inspection*" on page 102.

Proposed schedule of implementation and deployment of funds

The following table provides for the proposed deployment of funds, after deducting Issue related expenses:

(*in ₹ crores)*

Particulars	Amount proposed to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds		
		Fiscal 2027	Fiscal 2028	Fiscal 2029
Funding of expenditure towards acquisition of truck and bus division of Mahindra & Mahindra Limited ("**MTBD**")	525.00	525.00	-	-
Capacity expansion and plant modernization	125.00	40.00	85.00	-
Funding of R&D towards new product and aggregates development and upgradation of certain products and meeting regulatory compliance	450.00	80.00	250.00	120.00
General corporate purposes[(1)(2)]	344.23			
Net Proceeds[(2)]	**1,444.23**			

(1) The amount utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.
(2) Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement Ratio.

The funding requirements and deployment of the Net Proceeds as described herein are based on various factors, our current business plan, management estimates, current circumstances of our business and other commercial and technical factors including interest rates, exchange rate fluctuations and other charges, quotations received from vendors which may be subject to change and may not be within the control of our management. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. See "*Risk Factors – Our funding requirements and proposed deployment of Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Any variation in the proposed utilisation of our Net Proceeds as disclosed in this Letter of Offer would be subject to certain compliance requirements, including prior Shareholders' approval.*" on page 30. We may have to revise our funding requirements and deployment schedule from time to time, on account of a variety of factors such as our financial condition, business strategies and external factors such as variation in cost estimates, availability of raw material equipment, market conditions, competitive environment and other external factors such as changes in interest or exchange rate fluctuations or changes in technology. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds, implementation schedule and funding requirements or increasing or decreasing the amounts earmarked towards any of the aforementioned Objects, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable laws.

Subject to applicable law, if the actual utilization towards any of the identified Objects is lower than the proposed deployment, such surplus balance may be utilized towards funding any other purpose, and/or for general corporate purposes, to extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds of the Issue, in accordance with the SEBI ICDR Regulations. Further, in case of any variations in the actual utilisation of funds earmarked towards funding of our proposed Objects as set forth above, then any increased fund requirements for a particular Object may be financed by surplus funds, if any, available in respect of the other Objects (including general corporate purposes) for which funds are being raised in this Issue, subject to utilisation towards general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the aforementioned Objects, we may explore a range of options including utilising our internal accruals, additional equity funding and /or seeking additional debt from existing and future lenders.

If the Net Proceeds are not utilized (in full or in part) for the Objects of the Issue during the period stated above due to factors such as (i) economic and business conditions;(ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Further, due to various factors including considerations as set out above, we may decide or have to utilize portion of the Net Proceeds allocated for the subsequent year in the earlier year and vice versa. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular Object vis-a-vis the utilization of Net Proceeds.

Means of finance

The fund requirements for the Objects are proposed to be met entirely from the Net Proceeds and in case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the Objects, our Company shall utilize its internal accruals, therefore, there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated

means of finance, excluding the amount to be raised through the Issue or the existing identifiable accruals, as required under Regulation 62(1)(c) and Paragraph XII (E)(1) of Part B of Schedule VI. of the SEBI ICDR Regulations.

Details of the Objects

The details in relation to the Objects of the Issue are set forth below:

1. Funding of expenditure towards acquisition of truck and bus division of Mahindra & Mahindra Limited ("MTBD").

Our Company was incorporated on July 26, 1983 with the purpose to take initiative for manufacturing fuel-efficient Light Commercial Vehicles ("**LCV**") in Punjab. Since commencing commercial operations in 1986, our Company has been engaged in the design, development, manufacture, assembly, marketing and distribution of passenger carriers and goods carriers for the transporter industry. Over the period, the Company has achieved significant operational and technological milestones, and its product portfolio covers passenger carriers and goods carriers with Gross Vehicle Weight ("GVW') range of 5.0 tons to 11.3 tons. Furthermore, in the passenger carrier segment, our Company offers buses with upto 44+D-person seating capacity & a GVW of 10.4 tons. Our Company developed a 4-Wheel Drive Truck in the year 1996, and the achieved successful transition to OBD-II (BS6 Phase-II) compliant vehicles in the year 2023. In addition, we also manufacture special application vehicles such as ambulances, dual-cabin trucks, riot control vehicles, dumper / garbage removal vehicles, police vans, prison vans, water tankers and four-wheel-drive transport vehicles for defence and paramilitary forces.

On August 1, 2025, Mahindra & Mahindra Limited acquired 58.96% shareholding in our Company from Sumitomo Corporation, Japan and Isuzu Motors Limited, Japan and another 0.01% under open offer from eligible public shareholders and became its Promoter, following which Sumitomo Corporation, Japan ceased to be a 'Promoter'. We are part of the Mahindra group, which has a global presence across diverse verticals, including automotive, farm equipment, technology, financial services, real estate, hospitality, logistics, renewable energy, and aerospace and defence. Mahindra & Mahindra Limited, our Promoter, had a market capitalization of ₹ 3,674.25 billion as of March 31, 2026 (*based on the closing price of the Equity shares as of March 30, 2026, on NSE*).

Pursuant to the Business Transfer Agreement dated August 5, 2026 entered into with Mahindra & Mahindra Limited ("**BTA**"), our Company proposes to acquire MTBD, as a going concern on a slump sale basis, for a lump sum consideration of ₹ 525.00 crores, subject to working capital adjustment as set out in BTA, without assigning individual values to the assets and liabilities comprised therein, payable in the manner set out in the BTA, pursuant to the fair value determined in accordance with the valuation report dated July 27, 2026, issued by a registered valuer. The acquisition has been approved by the Board by way of their resolution dated July 29, 2026 and our Shareholders by way of postal ballot on September 6, 2026. Our Company proposes to fund the consideration payable towards this acquisition, together with the costs, stamp duty and other expenses incidental thereto, out of the Net Proceeds of the Issue.

The details in relation to Statement of Revenue ("**Revenue**"), Earnings before Interest, Tax and Depreciation and Amortisation ("**EBITDA**") and Earnings before Interest and Tax ("**EBIT**") for the year ended 31 March 2024, 31 March 2025 and 31 March 2026 is set forth:

(*amounts are in ₹ crores, unless otherwise stated*)

Particulars	For the year ended		
	March 31, 2024	March 31, 2025	March 31, 2026
Revenue	2,577.28	2,802.36	2,982.71
EBITDA	(68.38)	4.79	60.68
EBIT	(105.50)	(53.18)	(8.03)

As certified by P Y S & Co. LLP, Chartered Accountants by way of their certificate dated November 5, 2026.

Further, the statement of Assets and Liabilities of MTBD as at May 31, 2026 is set forth below:

(*in ₹ crores*)

Particulars		Amount
ASSETS		
Non-current assets		
(a)	Property, Plant and Equipment	136.62
(b)	Capital Work-in-Progress	30.65
(c)	Other Intangible Assets	135.85
(d)	Intangible Assets under Development	259.41
(e)	Financial Assets	
	(i) Others	7.09
(f)	Income tax assets (net)	16.92
(g)	Deferred tax assets (net)	0.29
(h)	Other non-current assets Non-Financial	28.85
		615.68
Current assets		
(a)	Inventories	173.03
(b)	Financial Assets	
	(i) Trade receivables	305.34
	(ii) Cash and cash equivalents	8.63
	(iii) Loans	0.16
	(iv) Others	10.69
(c)	Other current assets - Non financial	34.25
		532.10
	Total Assets	**1,147.78**
EQUITY AND LIABILITIES		
Equity		
(a)	Equity Share Capital	-
(b)	Other Equity - Head Office Balance	(29.60)
		(29.60)
Non-current liabilities		
(a)	Financial Liabilities	
	(i) Other financial liabilities	28.17
(b)	Provisions	129.79
		157.96
Current liabilities		
(a)	Financial Liabilities	
	(i) Trade payables	277.01
	(ii) Other financial liabilities	43.30
(b)	Provisions	67.50
(c)	Other Current Liabilities - Non-Financial	86.06
		473.87
Head office balance		
(a)	Head office balance payable	545.55
		545.55
	Total liabilities	**1,177.38**
	Total Equity and Liabilities	**1,147.78**

As part of the acquisition, MTBD's exclusive plant and machinery, tools and dies, sales and service network, assets, intellectual property, licenses, permits, insurance policies, contracts, and related interests, rights and liabilities, together with its white-collar employees, will be transferred to our Company and certain common trademarks and patents will be licensed to our Company. Since MTBD currently operates from a manufacturing facility shared with M&M's auto division, M&M will continue to manufacture the

relevant products on a contract manufacturing basis, ensuring business continuity while deferring the need for immediate capital expenditure by our Company and providing flexibility for future expansion of our Company's own manufacturing capabilities.

The acquisition is intended to create a unified, scaled and truck and bus-focused commercial vehicle business (including Trucks, LCV, Buses etc.), and is expected to result in cost efficiencies through economies of scale and optimised sourcing, realisation of operational synergies, strengthened industry positioning, access to M&M's existing infrastructure and technical expertise, enhanced organisational capability, and maximisation of investor value through a unified truck and bus strategy.

2. Funding capital expenditure for capacity expansion and plant modernization

We intend to utilize a portion of the Net Proceeds amounting to ₹ 125.00 crores towards the capacity expansion, modernization and upgradation of our manufacturing facilities at our plant situated at Village Asron, District Shahid Bhagat Singh Nagar, Nawanshahr, Punjab -144 533, India ("**Manufacturing Plant**"). These investments are in line with our long-term growth strategy and are aimed at enhancing and consolidating manufacturing capabilities especially for buses, improving operational efficiency, strengthening product quality and supporting future business requirements.

The proposed investments includes the construction and expansion of manufacturing infrastructure including bus body plant, installation and replacement of plant and machinery, deployment of tooling and fixtures, enhancement of production lines, modernization of material handling systems, utilities, inspection and testing facilities, and development of other supporting infrastructure. The scope of the project may also include the adoption of automation, digitization and process improvement initiatives across various manufacturing operations to improve productivity, consistency, safety and operational reliability.

These investments are also intended to optimize plant layout and asset utilization, improve manufacturing flexibility, standardize processes, strengthen supply chain efficiency and generate operating efficiencies through better resource deployment and economies of scale.

We believe that the proposed capital expenditure will enhance the overall capabilities of our Manufacturing Plant, improve responsiveness to customer requirements and support anticipated business growth while maintaining competitiveness and operational excellence**.**

We propose to utilise an estimated amount of ₹ 125.00 crores from the Net Proceeds towards installation of equipment at our manufacturing facility located at our Manufacturing Plant. This will support higher production volumes, establishment of dedicated production lines within a new manufacturing bay, deployment of tooling and fixtures, related civil infrastructure, enhancement of material handling systems, utilities, inspection and testing facilities, and other supporting infrastructure required for the expanded production capacity. Further, the project also includes the upgradation and expansion of the paint shop, incorporating state-of-the-art robotic primer and top-coat application systems. The automation of painting operations will also contribute to improved productivity and reduced process variability.

As such, the cost relating to assembling, integration and installation of the various machines, which is not part of the contract, as well as cost towards goods and service tax ("**GST**") on the purchase of components where input tax credit of GST can be availed is proposed to be funded through our Company's internal accruals.

An indicative list of components that we intend to purchase from various third-party vendors, along with details of the quotations we have received in this respect is set forth below:

S. No.	Equipment	Name of Suppliers / Vendors	Date of quotation	Validity	Cost of supply (in ₹ crores)*	Cost of erection (in ₹ crores)*	Total estimated cost (in ₹ crores)*
1.	Equipment in relation to paint shop including sanding booth, manual painting booth, paint baking oven, inspection room, deck platform amongst others.	TAIKISHA Engineering India Private Limited	August 19, 2026	For a period of 365 days commencing from August 19, 2026	61.51	6.84	68.35
2.	Equipment in relation to paint shop including under body booth, sealer oven, flash off booth, PMR room, skid cleaning system amongst others.	TAIKISHA Engineering India Private Limited	October 28, 2026	For a period of 180 days commencing from October 28, 2026	57.05	6.33	63.38
3.	Painted Body Shell Storage	TAIKISHA Engineering India Private Limited	October 1, 2026	For a period of 365 days commencing from October 1, 2026	8.24	0.58	8.82
4.	Singal Slat Conveyor	TAIKISHA Engineering India Private Limited	September 28, 2026	For a period of 365 days commencing from September 28, 2026	13.57	0.93	14.50
5.	In House Cutter – Re Sharpening Centre	ITL Industries Limited	June 5. 2026	Valid till March 21, 2027	0.47	-	0.47
6.	Equipment in relation control panel including HT Cable, Copper Flexible Links and transformer	NG Energy Solutions LLP	October 27, 2026	For a period of six months commencing from October 27, 2026	0.74	-	0.74
7.	Civil works including foundations, VDF flooring and PEB Structure	Rightangle Architecture	October 29, 2026	For a period of six months commencing from October 29, 2026	3.81	-	3.81
8.	Amada press brake model HRB1303 with toolings	Amada (India) Private Limited	October 8, 2026	For a period of six months commencing from October 8, 2026	0.95	-	0.95
9.	Air purification tower	Nederman India Pvt. Ltd.	October 29, 2026	Valid till April 30 2027	5.20	-	5.20
10.	45 Ton PLC Controlled Table Type Horizontal Hydraulic SPM	Hind Hydraulics & Engineers	September 22, 2026	180 days commencing from September 22, 2026	0.34	-	0.34
11.	R&D Protoshop	Architects Atelier	October 30, 2026	For a period of six months commencing from October 30, 2026	7.00	-	7.00

** Excluding the CGST, SGST, and IGST amount, which be charged at actuals.*

Other confirmation

No second-hand or used equipment is proposed to be purchased out of Net Proceeds. Each of the equipment and fixtures mentioned above is proposed to be acquired in a ready-to-use condition Further, our Company is yet to place any orders or enter into any definitive agreements with any or all of the aforementioned vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment required for the capacity expansion and modernization or at the same costs. The quantity of equipment to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this LOF. Some of the quotations mentioned above do not include cost of freight, insurance, and other applicable taxes as these can be determined only at the time of placing of orders. Any additional cost for freight, insurance, and other applicable taxes, other than as disclosed above, will be utilized from internal accruals.

Further, certain quotations stipulate that actual purchase price is subject to change at the time of placing of the orders. Also, if we engage some vendors other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the equipment may differ from the current estimates. For further details, see "*Risk Factors- We intend to utilise a portion of the Net Proceeds to purchase equipment and components for the capacity expansion and plant modernization, which is subject to cost escalation and is also based on quotations that may be subject to change or may expire.* on page 21.

3. Funding of R&D towards new product and aggregates development and upgradation of existing products and meeting regulatory compliance

Our Company operates in a rapidly evolving commercial vehicle industry that is being shaped by increasingly stringent emission, safety and environmental regulations, changing customer expectations, technological advancements, and the growing adoption of alternative fuel and electric mobility solutions. In addition, the integration of MTBD's product portfolio creates opportunities to broaden our market presence, strengthen our product offerings across vehicle segments and accelerate the adoption of advanced technologies. To maintain competitiveness, preserve regulatory compliance, address emerging customer requirements and support long-term growth, our Company intends to make significant investments in research and development focused on new product and aggregates development, enhancement of existing products, next-generation powertrain technologies, vehicle safety systems, electric and alternative fuel mobility solutions, connected vehicle technologies and engineering capability enhancement.

Accordingly, our Company proposes to utilize ₹450.00 crores from the Net Proceeds for research and development activities over Fiscal 2027 to Fiscal 2029 towards new product and aggregates development and upgradation of certain products (including those of MTBD products, once acquired) and meeting regulatory compliance. The proposed expenditure is expected to support product engineering, design and validation, prototyping, testing and certification, tooling, software development, consultancy, manufacturing enablement and other associated development costs. Our key R&D initiatives are expected to include the following:

- The commercial vehicle industry is expected to witness the implementation of enhanced safety regulations, including Advanced Driver Assistance Systems ("**ADAS**"), Electronic Stability Control ("**ESC**"), driver monitoring and other active and passive safety requirements. Our proposed investments will support the development, integration, testing and validation of such technologies across our vehicle platforms. These initiatives are expected to improve vehicle safety, driver convenience, fleet efficiency and regulatory readiness.

- Intend to invest in the development, enhancement and refresh of diesel and compressed natural gas ("**CNG**") powertrain platforms. The proposed initiatives will focus on improving fuel efficiency, durability, drivability and total cost of ownership while preparing our products for future emission regulations, including anticipated Bharat Stage VII requirements and evolving noise emission standards. These investments are also expected to strengthen the competitiveness and lifecycle of our existing powertrain portfolio.

- To undertake continuous product refresh and enhancement programs across truck and bus platforms. Our proposed R&D roadmap includes the development of new aggregates, systems and vehicle architectures, including next-generation cabins, chassis systems and structural assemblies. These investments are expected to support the launch of new products, improve operational performance and address identified portfolio gaps. The development of common platforms and aggregates may also help improve scalability and engineering efficiencies across product lines.

- Intend to continue investing in electric platforms for both buses and trucks. The proposed expenditure is expected to support vehicle engineering, battery integration, validation and certification activities. These initiatives are intended to strengthen our participation in the growing electric mobility market.

The above-mentioned spend is subject to our business priorities, outcomes, market conditions and opportunities from time to time. Our Company may reallocate spends across the various components, subject to the overall deployment of the aggregate amount stated for the object from the Net Proceeds. This approach will allow our Company to respond dynamically to evolving business priorities, capture market opportunities, and ensure optimal utilization of the Net Proceeds. Investors are advised that actual

deployment may differ from the estimates provided depending on changes in development priorities, evolution of product architecture, changes in regulatory requirements and prevailing market conditions, and our Company does not undertake to update these estimates except as required by applicable law. Accordingly, the flexibility to reallocate funds is critical and we may reallocate spends across our various research and development initiatives. This approach will allow us to respond dynamically to evolving business priorities, capture market opportunities and ensure optimal utilisation of the Net Proceeds. Any additional expenses beyond the amounts allocated from the Net Proceeds would be funded through internal accruals, further capital infusion, external borrowings, or other sources.

Our historical expenditure incurred towards research and development in the last three Fiscals are set forth below (including revenue expenditure):

(in ₹ crores)

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
SML*	11.57	26.03	22.53	21.14
R&D expenditure as a percentage of Revenue of SML	**0.7%**	**0.9%**	**0.9%**	**1.0%**
MTBD*	45.90	124.19	205.89	127.35
R&D expenditure as a percentage of Revenue of MTBD	**2.7%**	**4.2%**	**7.3%**	**4.9%**

** The expenditure includes expenditure in relation to materials, utilities and consultancy amongst others.*

The above expenditure has been towards developing the following products and technology (among others) for our (i) new products: (a) Blazo i-trk- improvement of Blazo truck range with higher power and torque, stronger aggregates, higher durability, built-in AI features and best in class fuel efficiency; (b) M-Dura – launch of new range of Blazo tippers with more payload, stronger aggregates and improved durability; (c) HIROI 3430 – Diesel Front Overhang bus on wheel base of 3430 MM with increased seating options; (d) Samrat Tipper XT and 24ft – new tipper with XT engine giving higher horsepower (85KW), new truck with increased length of 24 FT to carry extra load; (e) AMBULANCE GS – ambulance with global series cabin facia; (f) AASAI MX – bus with new body design to serve maxi cab application with increased seating capacity; and (g) SARTAJ HG79 – new 4 tyre truck with higher 7900KG GVW; (ii) AC Regulation- implementation of AC as standard feature in all truck models Bharat Stage VI On-Board Diagnostics Phase 2 Regulation- BSVI OBD2- Upgraded emission and real-time monitoring regulatory standard making emission control and engine health tracking much stricter; and (iii) Advanced Driver Assistance System Regulation- to improve road safety and protect vulnerable road users by adding features such as autonomous emergency braking system, lane departure warning system, driver drowsiness and attention warning, blind spot information system, moving off information system, vehicle stability control.

As a part of our growth strategies we intend to invest in retaining and further strengthening our R&D teams with relevant skill-sets to build, support, manage and enhance our existing products and also build new products and aggregates which will allow us to cater to different customer segments, invest in the required tools and platforms to improve our existing products and develop new products and aggregates. Owing to the nature of our business, for optimum utilization of technology, research, designing and development of new products and aggregates, innovating and introducing new features to existing products and to comply with the regulatory requirements, we are constantly making investments in our research facilities including development of new technology and integrating it with our existing products.

Our Company has estimated that an amount of ₹450.00 crores shall be utilized out of the Net Proceeds for expenditure on our R&D initiatives towards new product and aggregates development and upgradation of certain products (including those of MTBD products, once acquired) over Fiscal 2027 to Fiscal 2029. The proposed schedule of deployment of such amount is set forth below:

(in ₹ crores)

Category	Fiscal 2027	Fiscal 2028	Fiscal 2029
Investment in research and development	80.00	250.00	120.00

The proposed deployment set out above is based on the R&D expenditure historically incurred by our Company as set out above, our current areas of research focus and our outlook towards future R&D expenditure. Historically, MTBD has been using facilities and availed services in relation to R&D from our Promoter and Promoter Group and we might continue using such facilities and avail those services for upgradation and development of our products (including those of MTBD, once acquired). The expenditure historically incurred by our Company on R&D may not be fully reflective of the expenditure required to be incurred by our Company on the areas of R&D activity set out above, on account of the nature and stage of the development programmes concerned, the technologies and areas to which they relate and the regulatory pathways applicable to them. The balance funds required for our

R&D expenditure towards new product and aggregates development and upgradation of certain products (including those of MTBD products, once acquired) over Fiscal 2027 to Fiscal 2029 will be funded out of our internal accruals.

4. General corporate purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth including, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate exigencies and contingencies; (v) working capital requirements; (vi) expenses of our Company; (vii) projects related expenditure incurred in the ordinary course of business, (viii) payments related to approvals, (ix) other general administrative expenses, and (x) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable. Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Estimated Issue Expenses

The estimated Issue related expenses are set out below:

Activity	Estimated amount[#]	Percentage of the total estimated Issue Expenses	Percentage of the total Issue Size
	(in ₹ crores)	(%)	(%)
Brokerage, selling commission and upload fees	0.00	0.00	0.00
Fees payable to the Registrar to the Issue	0.05	0.92	0.00
Fees payable to the legal advisors and other professional service providers[^]	2.53	46.68	0.17
Advertising, marketing expenses and shareholder outreach expenses	0.05	0.92	0.00
Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	2.10	38.75	0.14
Printing and stationery, distribution, postage, etc.	0.05	0.92	0.00
Other expenses (including miscellaneous expenses and stamp duty)	0.64	11.81	0.04
Total estimated Issue Expenses[*]	**5.42**	**100.00**	**0.37**

** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All issue related expenses will be paid out of the Issue Proceeds received at the time of receipt of the Application Money.*

^ Includes fees payable to the legal counsels, independent chartered accountant.

[#]Includes GST as applicable.

Interim use of the Net Proceeds

Our Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, by depositing the same with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised by any bank, financial institution or any other external agency.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as of the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

Our Company has appointed CARE Ratings Limited as the Monitoring Agency to monitor utilization of proceeds from the Issue, prior to filing this Letter of Offer, including the proceeds proposed to be utilised towards general corporate purposes in accordance with Regulation 82 of the SEBI ICDR Regulations. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilization of the Net Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI LODR Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website https://smlmahindra.com/ and also submit the same to the Stock Exchange. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized; and (ii) disclose every year, the utilization of Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt.

Further, pursuant to Regulation 32(5) of the SEBI Listing Regulations, our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Gross Proceeds shall be certified by the Statutory Auditors of our Company, which shall be submitted by our Company with the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Objects. This information will also be published on our website and explanation for such variation (if any) will be included in our Directors' report, after placing it before the Audit Committee.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Other Confirmations

Except for the payments to be made by our Company to our Promoter for the acquisition of MTBD; and to the Promoter and members of Promoter Group for (i) services availed by our Company from our Promoter or members of the Promoter Group in relation to R&D; and (ii) any related party transactions with our Promoter or members of the Promoter Group in connection with the Objects of the Issue, for which payments will be made from the Issue Proceeds, none of our Promoter, members of the Promoter Group, our Directors, our KMP or members of Senior Management have any interest in the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors
SML Mahindra Limited (*formerly known as SML Isuzu Limited)*
1st Floor, T7 Tech Park, C – 119
Industrial Area, Phase – 7
Sector 73, Mohali, SAS Nagar,
Punjab – 160 055

Dear Sir,

Statement of Special Tax Benefits available to SML Mahindra Limited (*formerly known as SML Isuzu Limited*) ('the Company) and its shareholders (the "Statement") under the Indian tax laws

1. We have been requested by the Company to issue a report on the special tax benefits available to the Company and its shareholders attached for inclusion in the Draft Letter of Offer and the Letter of Offer in connection with the fund raising by the Company. We hereby confirm that the enclosed Annexure I to II (together the "Annexures") prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company under:

   The Income-tax Act 2025 ("the Act") as amended by Finance Act, 2026 applicable for the Tax Year 2026-27, presently in force in India; and the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts") as amended from time to time, the Customs Act, 1962 ("Custom Act") and the Customs Tariff Act, 1975 ('Tariff Act") as amended from time to time, rules, regulations, circulars and notifications issued thereunder and Foreign Trade Policy, 2023 implementation vide Notification No 01/2023 that has come into force from 01 April 2023.

   The Act, the GST Acts, Customs Act and Tariff Act as defined above, are collectively referred to as the Acts.

2. Several of these benefits are dependent on the company, or its shareholders fulfilling the conditions prescribed under the relevant provisions of the relevant Acts. Hence, the ability of the Company to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in Annexures is the responsibility of the management of the Company. We are informed that these Annexures are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of the proposed listing of fund raising by the Company.

4. We do not express any opinion or provide any assurance as to whether:
   i. the Company or its shareholders will continue to obtain these benefits in future.
   ii. the conditions prescribed for availing the benefits have been / would be met with; and
   iii. the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

7. This Statement is addressed to and provided to the Board of Directors of the Company at specific request of the Company, solely for the purpose given in paragraph 1 above and is not to be used, referred to or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Statement is shown or into whose hands it may come. Any subsequent amendment/ modification to provisions of the applicable laws may have an impact on the views contained in the Statement. We do not assume responsibility to update the views consequent to such changes subsequent to our report date.

8. We also consent to the inclusion of this letter as a part of "Material Contracts and Documents for Inspection" in connection with the Issue, which will be available to public for inspection from the date of the filing of the Letter of Offer until the Issue Closing Date.

9. We hereby give consent to include this Statement in the Draft Letter of Offer and the Letter of Offer and in any other material used in connection with the fund raising by the Company and submission of this Statement to the Securities and Exchange Board of India, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

FOR B G S S & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration Number : 0144295W

Partner – CA Malay Kalavadia
Membership No : 132262
Date : November 6, 2026
UDIN : 26132262OOXMQZ4609

ANNEXURE

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SML MAHINDRA LIMITED AND ITS SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to SML Mahindra Limited ("Company") and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership, and disposal of equity shares of the Company, under the Income-tax Act, 2025 as amended by the Finance Act 2026 (published on March 30, 2026)] read with Income Tax Rules, 2026, circulars, notifications, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company and its shareholders operate and applicable to the Company and its shareholders, Customs Act 1962 and Foreign Trade Policy 2023 (as extended) including the rules, regulations, circulars and notifications issued thereunder presently in force in India (collectively referred as "Taxation Laws"). Several of these benefits are dependent on fulfilling the conditions prescribed under the relevant Taxation Laws and actual legal status of shareholder. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business / commercial imperatives any of them face, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company and its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing Taxation Laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor advising the investor to invest money or not to invest money based on this statement.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHARE HOLDERS.

ANNEXURE I

I. Special Direct tax benefits available to the Company under the Income tax Act, 2025.

The Statement of possible tax benefits enumerated below is as per the Income Tax Act 2025 ("ITA") as amended from time to time and as applicable for Tax Year ("TY") 2026-27 as per provisions of Finance Act 2026 (published on March 30, 2026).

1. Lower corporate tax rate under Section 200 of the ITA

Section 200 provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess1).

In case the Company opts for the concessional income tax rate as prescribed under Section 200 of the ITA, it will not be allowed to claim any of the following deductions/ exemptions:

- Deduction under the provisions of Section 144 (deduction for units in Special Economic Zone);
- Deduction under sub-section (8) of Section 33 (Additional depreciation);
- Deduction under Section 48 or Section 49 (Investment deposit account, site restoration fund);
- Deduction under sub-section (2) or sub-clause (a) or sub-clause (b) or sub-clause (c) of sub-section (3) of Section 45 (Expenditure on scientific research);
- Deduction under Section 46 or sub-clause (a) of sub-section (1) of Section 47 (Deduction for specified business, agricultural extension project);
- Deduction under sub-clause (b) of sub-section (1) of Section 47 (Expenditure on skill development);
- Deduction under any provisions of Chapter VIII other than the provisions of Section 146 (Deduction in respect of employment of new employees) and 148 (Deduction in respect of certain inter corporate dividends);
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under Section 116, if such loss or depreciation is attributable to any of the deductions referred above.

The provisions of Section 206 regarding **Minimum Alternate Tax ("MAT")** are not applicable if the Company opts for the concessional income tax rate as prescribed under Section 200 of the ITA. Recently, the Finance Act 2026 has made changes in the ITA w.e.f. April 01, 2026 that set-off of MAT credit may be allowed only in the new tax regime (i.e., for companies who opt to be governed by the concessional tax rates under the Act) for domestic companies to the extent of 25% of the tax liability.

The Company has already opted for the concessional rate of tax (New tax regime) under this section for which declaration in specified form (i.e., Form 10-IC) has been filed with the ITA.

2. Deduction in respect of employment of new employees under Section 146 of the ITA.

As per Section 146 of the ITA, an assessee subject to tax audit under Section 63 of the ITA, is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided, subject to the fulfilment of prescribed conditions therein.
The deduction under Section 146 is available even if the Company opts for concessional tax rate under Section 200 of the ITA.

II. Special Direct tax benefits available to Shareholders

There is no special direct tax benefit available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the ITA. Further, it may be noted that these are general tax benefits available to equity shareholders in general, other shareholders holding any other type of instrument are not covered below.

1) Dividend Income

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case shareholder is a domestic company, deduction under Section 148 of the ITA would be available on fulfilling the conditions as mentioned above. Further, if the shareholder is a tax resident of foreign country with which India has a Double taxation Avoidance Agreement ('DTAA'), it may claim benefit of applicable rate as stated in the DTAA, if more beneficial over rate in ITA.

Section 148 of the Act provides for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 263(1) of the Act.

Where the company receives any such dividend during a Tax Year and also, distributes dividend to its shareholders before the aforesaid date, it shall be entitled to the deduction under Section 148 of the Act

2) Tax on Capital gains on sale of listed equity shares in an Indian company

As per Section 198 of the ITA, long-term capital gains arising from transfer of equity shares, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 12.5% (without indexation) of such capital gains for any transfer which takes place on or after the 23rd day of July, 2024, subject to payment of securities transaction tax on acquisition and transfer of equity shares and on the transfer of unit of an equity-oriented fund or a unit of a business trust under Chapter VII of Finance (No.2) Act 2004 read with Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,25,000 in a financial year.

Further, as per Section 196 of the ITA, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 20% for any transfer which takes place on or after the 23rd day of July, 2024 subject to fulfillment of prescribed conditions under the ITA.

3) Double Taxation Avoidance Agreement benefit

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfillment of other conditions to avail the treaty benefit.

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The statement of possible tax benefits enumerated below is as per the Central Goods and Services Tax Act, 2017 (CGST Act) / the Integrated Goods and Services Tax Act, 2017 (IGST Act)/ the Union Territory Goods and Service Tax Act, 2017 (UTGST Act) / respective State Goods and Service Tax Act, 2017 (SGST Act) ("all the acts collectively referred as GST Act"), the Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act") and Foreign Trade Policy 2023 (FTP) including the rules, regulations, circulars and notifications issued thereunder (collectively referred to as "Indirect Tax laws") as amended from time to time and presently in force in India.

A. Special Indirect Tax benefits available to the company under the Indirect tax laws.

(i) **Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)**

Remission of Duties and Taxes on Exported Products (RoDTEP)

The objective of RoDTEP scheme is to refund various duties and taxes incurred on the export of goods. Under the scheme, rebate of taxes will be given in the form of electronic scrip which could be utilised for payment of Basic Customs Duty.

The Company is availing benefit under RoDTEP Scheme.

Export Promotion Capital Goods (EPCG)

EPCG Scheme is being introduced by Government to facilitate duty free import of capital goods to be used for producing goods thereby enhancing India's manufacturing and export competitiveness. EPCG Scheme facilitates import of capital goods at zero customs duty subject to fulfilling an export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years from date of authorization. EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty of Customs in lieu of Value Added Tax/ local taxes (non-GST goods)], Integrated Goods and Services Tax (IGST) and Compensation Cess (GST goods), wherever applicable, subject to certain conditions. Currently, the Company is availing benefits under EPCG Scheme.

ii) Benefits under Customs Act (read with Tariff Act and related rules and regulations)

Benefits of Duty Drawback scheme under Section 75 of Customs Act

As per section 75 of the Customs Act, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such exported goods. The main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the drawback amount payable on such goods.

The Company is availing such duty drawback benefit.

iii) Benefits under the Central Goods and Services Act, 2017 (CGST Act), respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (IGST) (read with relevant Rules prescribed thereunder)

Export of goods under the GST law

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier will be entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies and can seek refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of goods at zero rate on fulfilment of certain conditions. Exporters can export goods under Bond / without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export goods with payment of IGST and subsequently claim refund thereof, as per the provisions of Section 54 of CGST Act.

The Company is undertaking exports through Letter of Undertaking (LUT) without payment of tax.

B. Special Indirect Tax benefits available to the equity shareholder of the company under the Indirect tax laws.

There are no special indirect tax benefits available to the Equity Shareholders of Company under the Indirect tax laws.

Note:

i. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

ii. The above statement of possible direct tax & indirect tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

iii. All the above benefits are as per the current tax law in force for TY 2026-27 and any change or amendment in the laws/regulation, which when implemented would impact the same.

iv. The above Statement covers only certain possible special tax benefits under the Taxation Laws, read with the relevant rules, circulars and notifications applicable as on date and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

v. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing taxation laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

vi. This statement has been prepared solely in connection with the proposed issue under the Companies Act, 2013 and Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

OUR MANAGEMENT

Board of Directors

As on the date of this Letter of Offer, our Company has six Directors, comprising one Whole-Time Director (Executive Chairman), one woman Non-Executive and Non-Independent Director and four Independent Directors (including one woman Independent Director).

The following table provides details regarding our Board as of the date of filing this Letter of Offer

Name, Address, Designation, Occupation, Date of Appointment, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Vinod Kumar Sahay ***Address***: 4304, Tower B Oberoi Esquire, Off Western Express Highway, Opposite Oberoi Woods, Goregaon East, Mumbai – 400 063, Maharashtra, India ***Designation***: Executive Chairman and Whole-time Director ***Occupation***: Service ***Date of Appointment***: August 1, 2025 ***Term***: For a period of three years not liable to retire by rotation ***Date of Expiration of the Current Term***: July 31, 2028 ***DIN***: 07884268 ***Date of Birth***: December 9, 1974	51	*Indian Companies* 1. Mahindra Defence Systems Limited; 2. Mahindra Advanced Technologies Limited; 3. Mahindra Telephonics Integrated Systems Limited; 4. Mahindra Aerospace Private Limited; 5. Mahindra Aerostructures Private Limited; and 6. Novavayu Aerospace Limited *Foreign Companies* Nil
Mahima Chugh ***Address***: E-96, Second Floor, Double Storey, Ramesh Nagar, West Delhi, Delhi – 110 015, India ***Designation***: Non-Executive and Non-Independent Director ***Occupation***: Senior VP & Business Head, Spares Business Unit, M&M ***Date of Appointment***: August 1, 2025 ***Term***: Liable to retire by rotation. ***Date of Expiration of the Current Term***: Liable to retire by rotation ***DIN***: 07448152 ***Date of Birth***: February 25, 1984	42	*Indian Companies* 1. Smartshift Logistics Solutions Private Limited *Foreign Companies* Nil
Chandra Shekhar Verma ***Address***: 4086, Sector – C, Pocket – 4, Vasant Kunj, South West Delhi – 110 070, Delhi, India ***Designation***: Independent Director ***Occupation***: Professional ***Date of Appointment***: September 22, 2019 ***Term***: From September 22, 2024 ***Date of Expiration of the Current Term***: For a period of five years i.e., September 21, 2029. ***DIN***: 00121756 ***Date of Birth***: September 29, 1959	67	*Indian Companies* 1. Ikio Technologies Limited; 2. Multi Commodity Exchange of India Limited; 3. Shyam Metalics and Energy Limited; 4. Welspun Corp Limited; 5. Firstadvantage Consulting Group Limited; 6. Royalux Lighting Private Limited; and 7. Welspun Global IFSC Limited. *Foreign Companies* Nil
Ravi Venkatraman ***Address***: A/4. Plot No. NA-52, New Samrat Society, Andheri Kurla Road, Opposite Vishal Hall, Andheri East, Mumbai – 400 069, Maharashtra, India	67	*Indian Companies* 1. SBFC Finance Limited; 2. Praxis Home Retail Limited;

Name, Address, Designation, Occupation, Date of Appointment, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Designation**:* Independent Director ***Occupation**:* Professional ***Date of Appointment**:* August 1, 2025 ***Term**:* For a period of three years, not liable to retire by rotation ***Date of Expiration of the Current Term**:* July 31, 2028 ***DIN: 00307328 ***Date of Birth**:* July 2, 1959		3. Aditya Birla Sun Life Pension Fund Management Limited; 4. Zurich Kotak General Insurance Company (India) Limited; 5. Kotak Mahindra Prime Limited; 6. Avanse Financial Services Limited; 7. Bajaj Mutual Fund Trustee Limited (*Formerly known as Bajaj Finserv Mutual Fund Trustee Limited*); 8. Sarvagram Solutions Private Limited; and 9. Arisuniterm RE Solutions Private Limited *Foreign Companies* Nil
Arun Kumar Malhotra ***Address***: E Tower, 802, The Palm Springs, Golf Course Road, Sector-54, Sikanderpur, Ghosi, Gurugram – 122 002, Haryana, India ***Designation**:* Independent Director ***Occupation**:* Independent Consultant ***Date of Appointment**:* August 1, 2025 ***Term**:* For a period of three years, not liable to retire by rotation ***Date of Expiration of the Current Term**:* July 31, 2028 ***DIN***: 00132951 ***Date of Birth**:* October 7, 1958	68	*Indian Companies* 1. Lumax Auto Technologies Limited; and 2. IIM Calcutta Innovation Park. *Foreign Companies* Nil
Smita Mankad ***Address***: T34-403, Commonwealth Games Village, Near Akshardham Temple, East Delhi, Laxmi Nagar, Delhi – 110 092, India. ***Designation**:* Independent Director ***Occupation**:* Business Consultant ***Date of Appointment**:* August 1, 2025 ***Term**:* For a period of three years, not liable to retire by rotation ***Date of Expiration of the Current Term**:* July 31, 2028 ***DIN***: 02009838 ***Date of Birth**:* March 20, 1971	55	*Indian Companies* 1. Subros Limited; 2. Swaraj Engines Limited; 3. Bajaj Holdings & Investment Limited; 4. Bajaj Auto Credit Limited; 5. Mahindra Rural Housing Finance Limited; 6. Fabindia Limited; 7. Imperial Auto Industries Limited; and 8. DSP Fund Managers IFSC Private Limited. *Foreign Companies* Nil

SECTION IV: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Website link
1.	Unaudited financial results for the six month period ended September 30, 2026.	https://smlmahindra.com/IN/investors
2.	Unaudited financial results for the six month period ended September 30, 2025.	
3.	Audited financial statements as at and for the financial year ended March 31, 2026.	
4.	Audited financial statements as at and for the financial year ended March 31, 2025.	
5.	Audited financial statements as at and for the financial year ended March 31, 2024.	

CARVE-OUT FINANCIAL INFORMATION OF THE TRUCK AND BUS DIVISION OF MAHINDRA & MAHINDRA LIMITED

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INDEPENDENT CHARTERED ACCOUNTANT'S REPORT ON THE CARVE-OUT FINANCIAL INFORMATION OF THE TRUCK AND BUS DIVISION OF MAHINDRA & MAHINDRA LIMITED FOR THE PROPOSED RIGHTS ISSUE OF EQUITY SHARES ("THE PROPOSED RIGHTS ISSUE") BY SML MAHINDRA LIMITED ("SML" OR "THE COMPANY") IN ACCORDANCE WITH SCHEDULE VI, PART B, (1)(XII)(B)(4)(B) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED

To,
The Board of Directors
SML Mahindra Limited
(Formerly known as SML Isuzu Limited)
Address: Village Asron, District Nawanshahr,
Punjab, India - 144533.

1. This report is issued in accordance with the terms of our engagement letter dated 16 October 2026.

2. The Company has requested us to issue a report containing certain financial information for the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026 & Assets and Liabilities as at 31 May 2026 ("the Statement") of Truck and Bus Division of Mahindra & Mahindra Limited ("Truck and Bus Division) in connection with the Proposed Rights Issue being considered by SML Mahindra Limited ("the Company") and for inclusion in the Letter of Offer to be filed with Securities and Exchange Board of India (SEBI)/ BSE Limited and NSE Limited ("Stock Exchanges") under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") in accordance with Schedule VI, Part B, (1)(XII)(B)(4)(b) of the SEBI ICDR Regulations.

3. The said Statement has been prepared by Mahindra & Mahindra Limited and signed by the Chief Financial Officer- Automotive Division of Mahindra & Mahindra Limited (M&M), which we have verified and stamped for identification purpose.

MANAGEMENT RESPONSIBILITIES

4. M&M is responsible for:
   - Identification of the Truck and Bus Division forming the subject matter of the carve-out;
   - Preparation and presentation of the Carve-out Financial Information;
   - Determination of the basis for allocation of common assets, liabilities, income and expenses;
   - Designing, implementing and maintaining internal controls relevant to the preparation of the Carve-out Financial Information;
   - Making judgements, estimates and assumptions necessary for the preparation of the Carve-out Financial Information; and
   - Ensuring that the Carve-out Financial Information is prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended (Ind AS).

5. M&M is responsible for the designing, implementing, and maintaining internal control relevant to the preparation of the Carve-out Financial Information and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. M&M is also responsible for providing all relevant books, records, supporting schedules and explanations considered necessary for our examination.

6. The Management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI circulars, SEBI Regulations, the Companies Act, 2013, Stock Exchanges and providing all relevant information as per the SEBI ICDR Regulations.

INDEPENDENT CHARTERED ACCOUNTANT'S RESPONSIBILITIES

7. Pursuant to the requirements mentioned above, it is our responsibility to provide a limited assurance in the form of conclusion based on examination of the certain financial information and relevant records maintained by M&M that the financial information relating to Revenue, Earnings before Interest, Tax and Depreciation (EBITDA) and Earnings before Interest and Tax (EBIT) for the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026, and Assets and Liabilities as at 31 May 2026 of Truck and Bus Division are in agreement with:
    a) Carve-out Financial Information of Revenue, EBITDA and EBIT for the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026; and
    b) Carve-out Statement of Assets and Liabilities as at 31 May 2026.

8. A limited assurance engagement includes performing procedures to obtain sufficient and appropriate audit evidence on the reporting criteria mentioned in paragraph 7 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the reporting criteria. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, for a reasonable assurance. Accordingly, we have performed the following procedures in relation to the Statement.

    (a) Obtained and reviewed the audited financial statements of Mahindra & Mahindra Limited for the financial years ended 31 March 2024, 31 March 2025, and 31 March 2026;

    (b) Obtained and reviewed the segment reporting break-up of Mahindra & Mahindra Limited prepared by M&M for the financial years ended 31 March 2024, 31 March 2025, and 31 March 2026, and traced the revenue, segment results, segment assets, and segment liabilities pertaining to the Truck and Bus Division to the corresponding amounts included in the overall revenue, results, assets, and liabilities of Mahindra & Mahindra Limited for the respective financial years and reporting dates;

    (c) Obtained the Statement of Assets and Liabilities of the Truck and Bus Division as at 31 May 2026 and traced the same to the underlying books of account and other supporting records;

    (d) Made inquiries of the M&M personnel and performed analytical procedures on the carve-out financial information of the Truck and Bus Division for the financial years ended 31 March 2024, 31 March 2025, and 31 March 2026, and as at 31 May 2026;

    (e) Obtained the statements of Revenue, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), and Earnings Before Interest and Tax (EBIT) for the financial years ended 31 March 2024, 31 March 2025, and 31 March 2026, and the Statement of Assets and Liabilities of the Truck and Bus Division as at 31 May 2026, and verified that the same are in agreement with:
        - the carve-out financial information relating to Revenue, EBITDA, and EBIT for the financial years ended 31 March 2024, 31 March 2025, and 31 March 2026; and
        - the carve-out Statement of Assets and Liabilities as at 31 May 2026.

    (f) Obtained and reviewed the management assumptions and judgments applied in preparing the segmental accounting of the Truck and Bus Division, particularly in respect of the allocation of common income and expenditures.

    (g) Conducted discussions with the management of M&M and obtained a written representation letter from them.



9. We state that the audited financial statements of Mahindra & Mahindra Limited for the financial years ended 31 March 2026, 31 March 2025 and 31 March 2024 referred to in paragraph 8 above, have been audited by BSR & Co. LLP whose report dated 05 May 2026, 05 May 2025 and 16 May 2024, respectively have been furnished to us by M&M, and for our verification, in so far as it relates to the amounts included in respect of the said years, is based solely on the report of other auditor.

10. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") and in accordance with the generally accepted auditing standards in India and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

11. We hereby confirm that while providing this certificate we have complied with the Code of Ethics and 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, issued by the Institute of Chartered Accountants of India.

Conclusion

12. Based on our examination as above, and the procedures performed by us as mentioned above, the information and explanations given to us, and representation received from the management, nothing has come to our attention which causes us to believe that:

    a) the accompanying Carve-out Financial Information has not been properly prepared and extracted, in all material respects, from the audited financial statements of the Mahindra & Mahindra Limited for the year ended 31 March 2024, 31 March 2025 and 31 March 2026; and

    b) the accompanying Carve-out Statement of Assets and Liabilities has not appropriately presented the assets and liabilities attributable to the Truck and Bus Division of the Mahindra & Mahindra Limited as at 31 May 2026 and not properly prepared from underlying books of account of the Mahindra & Mahindra Limited.

13. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

14. We hereby consent to (a) this Report being used in the Letter of Offer of the Company or any other material in connection with the Issue; and/ or (b) submission of this Report as may be necessary, to the Stock Exchanges, Securities and Exchange Board of India or to any regulatory authority; and in accordance with applicable law.

15. The above consent is subject to the condition that we do not accept any responsibility for any report or matters or matters included in the Letter of Offer other than the report issued by us. Except as aforesaid, neither we nor our affiliates shall be liable to any investor or any other third party in respect of the Proposed Rights Issue.

16. Unless the context requires otherwise, all capitalised terms used but not defined will have the same meaning assigned to them in the Letter of Offer.



17. This report has been issued at the request of the Company for the purpose of the Proposed Rights Issue and should not be used for any other purpose other than as specified in this report or by any other person other than the addressees of this Report. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For PYS & CO LLP
Chartered Accountants
Firm's Registration No.: 012388S/S200048

SANJAY KOKATE
Digitally signed by SANJAY KOKATE
Date: 2026.11.05 16:08:01 +05'30'



Sanjay Kokate
Partner
Membership No.:130007
Certificate No.:
UDIN: 26130007KDGJHE4492

Place: Mumbai
Date: 5 November 2026

Mahindra & Mahindra Ltd.
Mahindra Towers,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400018, India.

Tel: +91 22 24901441
Fax: +91 22 24900833
www.mahindra.com

Statement of Revenue, Earnings before Interest, Tax and Depreciation and Amortisation (EBITDA) and Earnings before Interest and Tax (EBIT) for the year ended 31 March 2024, 31 March 2025 and 31 March 2026

(Rs. in Crores)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Revenue	2,577.28	2,802.36	2,982.71
EBITDA	(68.38)	4.79	60.68
EBIT	(105.50)	(53.18)	(8.03)

We certify that the management of Mahindra & Mahindra Limited has prepared the carve-out financial statements of the Truck and Bus Division for the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026. The aforesaid Statement of Revenue, EBITDA and EBIT has been prepared based on, and extracted from, such carve-out financial statements.

We also certify that the aforesaid financial information has been prepared in accordance with the recognition and measurement principles prescribed under the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

For Mahindra & Mahindra Limited

Authorized Signatory

Name: Ashutosh Vidwans
Designation: Chief Financial Officer – Automotive Division
Place: Mumbai
Date: 5 November 2026

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Statement of Assets and Liabilities as at 31 May 2026

(Rs. in Crores)

	Particulars	Amount
ASSETS		
Non-current assets		
(a)	Property, Plant and Equipment	136.62
(b)	Capital Work-in-Progress	30.65
(c)	Other Intangible Assets	135.85
(d)	Intangible Assets under Development	259.41
(e)	Financial Assets	
	(i) Others	7.09
(f)	Income tax assets (net)	16.92
(g)	Deferred tax assets (net)	0.29
(h)	Other non-current assets Non-Financial	28.85
		615.68
Current assets		
(a)	Inventories	173.03
(b)	Financial Assets	
	(i) Trade receivables	305.34
	(ii) Cash and cash equivalents	8.63
	(iii) Loans	0.16
	(iv) Others	10.69
(c)	Other current assets - Non financial	34.25
		532.10
	Total Assets	**1,147.78**
EQUITY AND LIABILITIES		
Equity		
(a)	Equity Share Capital	-
(b)	Other Equity - Head Office Balance	(29.60)
		(29.60)
Non-current liabilities		
(a)	Financial Liabilities	
	(i) Other financial liabilities	28.17
(b)	Provisions	129.79
		157.96
Current liabilities		
(a)	Financial Liabilities	
	(i) Trade payables	277.01
	(ii) Other financial liabilities	43.30
(b)	Provisions	67.50
(c)	Other Current Liabilities - Non-Financial	86.06
		473.87
Head office balance		
(a)	Head office balance payable	545.55
		545.55
	Total liabilities	**1,177.38**
	Total Equity and Liabilities	**1,147.78**

Regd. office: Gateway Building, Apollo Bunder, Mumbai 400 001, India.
Tel: +91 22 22021031 | Fax: +91 22 22875485
Email: group.communications@mahindra.com | mahindra.com
CIN No.: L65990MH1945PLC004558

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We certify that the accompanying Statement of Assets and Liabilities of the Truck and Bus Division as at 31 May 2026 has been accurately derived from the unaudited books of account of Mahindra & Mahindra Limited and carved out financial statements of Truck and Bus Division as at 31 May 2026 and has been prepared in accordance with the aforesaid recognition and measurement principles prescribed under Ind AS.

For Mahindra & Mahindra Limited



Authorized Signatory

Name: Ashutosh Vidwans
Designation: Chief Financial Officer – Automotive Division
Place: Mumbai
Date: 5 November 2026



FINANCIAL INFORMATION

Extract of the Audited Financial Statements and the September Unaudited Financial Results prepared in accordance with applicable accounting standards for the last financial year (with the comparative prior full year period), disclosed to the Stock Exchanges:

(*in ₹ crores, except as otherwise stated*)

Particulars	As at and for the six months ended September 30, 2026	As at and for the six months ended September 30, 2025	Fiscal 2026	Fiscal 2025	Fiscal 2024
Total revenue from operations	1,627.33	1,401.00	2,837.92	2,398.99	2,195.93
Net profit/loss before tax and extraordinary items	101.13	117.83	213.95	162.38	106.45
Net profit/loss after tax and extraordinary items	75.32	88.01	159.75	121.67	107.88
Equity share capital	14.48	14.48	14.48	14.48	14.48
Reserves and surplus	545.43	429.35	504.86	368.18	271.11
Net worth	559.91	443.83	519.34	382.66	285.59
Basic Earnings per share (*in ₹*)[#]	52.05	60.82	110.39	84.08	74.54
Diluted Earnings per share (*in ₹*)[#]	52.05	60.82	110.39	84.08	74.54
Return on net worth (%)[#]	13.82	21.10	36.08	35.98	46.44
Net Asset Value/ Book Value per Share (in ₹)	386.90	306.69	358.87	264.42	197.34

Notes:

[#]*Not annualized for the six months ended September 30, 2026 and September 30, 2025.*

The Audited Financial Statements and the September Unaudited Financial Results of our Company are uploaded on the website of our Company at https://smlmahindra.com/IN/investors**.**

Detailed rationale for the Issue Price

The Issue Price will be determined by our Company on the basis of various qualitative and quantitative factors as described below:

Qualitative factors

Some of the qualitative factors which form the basis for computing the Issue Price are set forth below:

• Proprietary in-house technology capabilities enabling customized, tech-driven logistics solutions tailored to diverse customer needs;

• An integrated, end-to-end transport provider with a pan-India network spanning multiple pin codes, enabling a seamlessly optimized supply chain across industries and regions;

• Ability to recruit and retain experienced and qualified drivers through business associates;

• Experienced management team with extensive industry knowledge; and

• Brand recall and synergies with Mahindra & Mahindra Limited, our Promoter and the flagship company of the Mahindra group.

Quantitative factors

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. Basic and diluted earnings per Equity Share ("EPS") (face value of each Equity Share is ₹ 10):

Fiscal	Basic EPS (₹)	Diluted EPS(₹)
For six-month period ended September 30, 2026[#]	52.05	52.05
For six-month period ended September 30, 2025[#]	60.82	60.82
March 31, 2026	110.39	110.39
March 31, 2025	84.08	84.08
March 31, 2024	74.54	74.54

Notes:

Earnings per share (EPS) calculations are in accordance with Indian Accounting Standard 33 'Earnings per share' notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

Basic EPS: Net Profit for the year attributable to owners of our Company/ weighted average number of Equity Shares outstanding during the year.

Diluted EPS: Net Profit for the year attributable to owners of our Company/weighted average number of Equity Shares outstanding during the year as adjusted for effective of dilutive equity shares.

[#]EPS for the six months ended September 30, 2026 and September 30, 2025 have not been annualized.

2. Return on Net Worth ("RoNW")

Fiscal	RoNW (%)
For six-month period ended September 30, 2026[#]	13.82%
For six-month period ended September 30, 2025[#]	21.10%
March 31, 2026	36.08%
March 31, 2025	35.98%
March 31, 2024	46.44%

Note: [#]Return on Net Worth (%) for the six months ended September 30, 2026 and September 30, 2025 have not been annualized.

3. Net Asset Value/Book Value ("NAV") per Equity Shares

Fiscal	NAV/ Book Value (₹)
For six-month period ended September 30, 2026[#]	386.90
For six-month period ended September 30, 2025[#]	306.69
March 31, 2026	358.87
March 31, 2025	264.42
March 31, 2024	197.34

Note: [#]NAV as on September 30, 2026 and September 30, 2025 have been considered.

The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 5235.33 per fully paid-up Equity Share.

The Issue Price is 350.60 times of the face value of the Equity Share.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on November 6, 2026, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The Draft Letter of Offer and this Letter of Offer has been approved by our Board pursuant to its resolutions dated November 6, 2026 and November 16, 2026, respectively. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our Board at its meeting held on November 16, 2026.

Our Board, in its meeting held on November 16, 2026, has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 3,506.00 per Rights Equity Share (including a premium of ₹ 3,496.00 per Rights Equity Share) aggregating up to ₹ 1,449.65 crores* and the Rights Entitlement as 2 (Two) fully paid-up Rights Equity Share for every 7 (seven) fully paid-up Equity Shares, held as on the Record Date. The Issue Price has been arrived at by our Company prior to determination of the Record Date.

**Assuming full subscription in the Issue and subject to finalisation of the basis of allotment.*

Our Company has received in-principle approvals from NSE and BSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters each dated November 16, 2026. Our Company will also make applications to NSE and BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN: INE294B20019 for the Rights Entitlements to be credited to the respective demat accounts of Allottees. For details, see "*Terms of the Issue*" beginning on page 74.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoter, the members of our Promoter Group and our Directors are not and have not been debarred from accessing capital markets. Further, our Company, our Promoter, the members of our Promoter Group and our Directors are not and have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, our Promoter and our Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated by SEBI against any of our Directors, who have been associated with the securities market.

None of our Directors are declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018. Since our Promoter is a corporate entity, the Fugitive Economic Offenders Act, 2018 is not applicable to them.

The Equity shares of our Company have not been suspended from trading as a disciplinary measure imposed by SEBI or any regulatory authority during the last three years from the date of this Letter of Offer.

Prohibition by RBI

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the NSE and BSE and has received their in-principle approvals through their letters each dated November 16, 2026 for listing of the Rights Equity Shares to be Allotted pursuant to this Issue. NSE is the Designated Stock Exchange for the Issue.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date, except as specified otherwise.

Our Company accepts no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is NSE.

Disclaimer Clause of NSE

"As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/58409 dated November 16, 2026, permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

*Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.***"**

Disclaimer Clause of the BSE

"*The Exchange has given vide its letter dated November 16, 2026, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company.*

The Exchange does not in any manner:
• Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
• Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
• Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED

STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Filing

This Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023 and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders' Relationship Committee which meets at least once every year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. KFin Technologies Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our Company Secretary and Compliance Officer.

The investor complaints received by our Company are generally disposed of within 21 days from the date of receipt of the complaint. As on September 30, 2026, our Company has redressed all complaints received from the investors.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see *"Terms of the Issue"* beginning on page 74.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer:

Registrar to the Issue

KFin Technologies Limited
Selenium Tower-B, Plot No. 31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad, Telangana– 500 032, India
Telephone: +91 40 67162222/ 1800 309 4001
E-mail: smlmahindra.rights@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Williams R
SEBI registration no.: INR000000221

Company Secretary and Compliance Officer

Parvesh Madan
1st Floor, T7 Tech Park C-119
Industrial Area, Phase 7, Sector 73
Mohali, SAS Nagar
Punjab – 160 055, India
Tel: 0172-2647700-02 / 4155901
E-mail: investors@smlmahindra.com

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

SECTION V: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in the Draft Letter of Offer, this Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that Application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

For guidance on the application process through ASBA and resolution of difficulties faced by investors, you are advised to read the frequently asked question on the website of the Registrar at https://www.kfintech.com/ and on the website of our Company at https://smlmahindra.com/IN/investors/ri.

Please note that our Company has opened a separate demat suspense escrow account (namely, "SML Mahindra Limited – Unclaimed Suspense Account – Rights Entitlement") ("Demat Suspense Account") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund ("IEPF") authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed / suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons. Please also note that our Company shall credit Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in the Draft Letter of Offer, this Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles

of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA NDI Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from any regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 99.

The Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

Investors can access this Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe to the Rights Equity Shares under applicable laws) on the websites of:

(i) our Company at https://smlmahindra.com/;

(ii) the Registrar at https://www.kfintech.com/; and

(iii) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders, should visit https://www.kfintech.com/.

Eligible Equity Shareholders, can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* https://www.kfintech.com/) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at https://smlmahindra.com/IN/investors/ri.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including this Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e- mail addresses of Eligible Equity Shareholders, or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer is being filed with the Stock Exchanges and this Letter of Offer will be filed with the Stock Exchanges and SEBI. Accordingly, Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements

applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, such Issue Materials must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders, and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders, as well as the Renouncees to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSBs to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see "- *Grounds for Technical Rejection*" on page 82. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders, making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 79.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder, is entitled to in the Issue.

If the Eligible Equity Shareholder, applies in this Issue, then such Eligible Equity Shareholder, can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSBs) for authorizing such SCSBs to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSBs should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, the directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

(b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSBs for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

(f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSBs providing ASBA facility in such location.

(g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSBs for your submission of the Application Form in physical form or plain paper Application.

(h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

(i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

(c) Do not send your physical Application to the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), a branch of the SCSBs which is not a Designated Branch of the SCSBs or our Company; instead submit the same to a Designated Branch of the SCSBs only.

(d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(e) Do not submit Application Form using third party ASBA account.

(f) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.

(g) Do not submit Multiple Application Forms.

- ***Application by Specific Investor(s), if any and applicable***

In case of renunciation of Rights Entitlement to Specific Investor(s) by our Promoter or members of our Promoter Group

Our Promoter or members of our Promoter Group may renounce any portion of their Rights Entitlement to one or more Specific Investor(s) subject to disclosure of the same in terms of the SEBI ICDR Regulations. The name of the Specific Investor(s) (i.e. the Renouncee), the name of our Promoter or members of our Promoter Group (i.e. renouncer) and the number of Rights Entitlements renounced in favour of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date.

In case of such renunciation of Rights Entitlement by our Promoter or members of our Promoter Group to any Specific Investor, all rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Specific Investor(s) (i.e. the Renouncee) as well.

Time limit for renouncing of RE by promoter and members of promoter and credit of RE to specific investor should be specified such that specific investor is able to apply before 11:00 am on Issue Opening Date. On-market RE renunciation may not be possible in such case considering T+2 rolling settlement.

The Application by such Specific Investor(s) shall be made on the Issue Opening Date before 11:00 a.m. (Indian Standard Time) and no withdrawal of such Application by the Specific Investor(s) shall be permitted. Our Company undertakes to disclose to the Stock Exchange(s) whether such Specific Investor(s) have made the Application or not, for dissemination on the Issue Opening Date by 11:30 a.m. (Indian Standard Time).

In case of allotment of any undersubscribed portion of the Rights Issue to Specific Investor

Under the SEBI ICDR Regulations, our Company may allot any undersubscribed portion (if any) of the Rights Issue to one or more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date. The Application by such Specific Investor(s) shall be made along with their Application Money before the finalisation of Basis of Allotment for undersubscribed portion of the Rights Issue in co-ordination with our Company and Registrar. However, it is clarified that our Company does not intend to allot the under-subscribed portion of the Rights Equity Shares in this Issue to any Specific Investor(s).

- ***Making of an Application by Eligible Equity Shareholders, on Plain Paper under ASBA process***

An Eligible Equity Shareholder, in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder, not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, or the Stock Exchanges. An Eligible Equity Shareholder, shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder, who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders, who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder, including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being SML Mahindra Limited;

2. Name and address of the Eligible Equity Shareholder, including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio number (in case of Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date)/DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder, in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;

5. Number of Equity Shares held as on Record Date;

6. Allotment option – only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total Application amount paid at the rate of ₹ 3,506.00 per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSBs;

13. In case of non-resident Eligible Equity Shareholders, making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSBs with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSBs to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder, (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

16. All such Eligible Equity Shareholders, shall be deemed to have made the representations, warranties and agreements set forth in "*Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers*" on page 99, and shall include the following:

    *"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this*

*application are being offered and sold in "offshore transactions" in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") to Eligible Equity Shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of this Letter of Offer titled "Restrictions on Purchases and Resales" on page 99.

I/ We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://www.kfintech.com/.

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by the SCSBs or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders, holding Equity Shares in physical form***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders, holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders, shall visit https://www.kfintech.com/, to upload their client master sheet and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders, to their demat accounts at least one day before the Issue Closing Date; and

(c) The remaining procedure for Application shall be same as set out in the section entitled "- *Making of an Application by Eligible Equity Shareholders, on Plain Paper under ASBA process*" on page 79.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized

Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled "- *Basis of Allotment*" on page 92.

Eligible Equity Shareholders, who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders, cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s).

Our Promoter has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and (ii) subscribe to additional Equity Shares, if any, as well as to any unsubscribed portion in the Issue up to the total Issue Size subject to meeting requirements under the SEBI Takeover Regulations. Accordingly, our Promoter has no intention to renounce their Rights Entitlement in the Issue in favour of any Specific Investor(s).

As on the date of this Letter of Offer, members of our Promoter Group do not hold any Equity Shares of our Company.

Allotment of the under-subscribed portion of the Issue

Our Company does not intend to allot the under-subscribed portion of the Rights Equity Shares in this Issue to any Specific Investor(s).

Additional general instructions for Investors in relation to making of an Application

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, this Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section titled "*Terms of the Issue – Making of an Application by Eligible Equity Shareholders, on Plain Paper under ASBA process"* on page 79.

(d) Applications should be submitted to the Designated Branch of the SCSBs or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSBs to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-Tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These

Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to** such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(j) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

(k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders, should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders, should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders, holding Equity Shares in physical form.

(m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit Multiple Applications.

(s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA NDI Rules, as amended.

(t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, Registrar, Bankers to the Issue, to a branch of a SCSBs which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSBs for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSBs on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Investors that are residing in U.S. address as per the depository records.

(s) Applicants not having the requisite approvals to make Application in the Issue.

(t) The Rights Entitlement shall not be available in the Depositary Participant ID for the applicants as on the Issue Closing Date.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "*Terms of the Issue - Procedure for Applications by Mutual Funds*" on page 85.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoter or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled "*Summary of this Letter of Offer – Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s)*" on page 14.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA NDI Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA NDI Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA NDI Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, as amended by press note no. 2 (2026 series), dated March 15, 2026, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period. However, pursuant to the recent amendment by way of press note no. 2 (2026 series) dated March 15, 2026, investments resulting in beneficial ownership of less than ten percent and not conferring control are permitted under the automatic route.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is December 9, 2026, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled "- *Basis of Allotment*" on page 92.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSBs where application is submitted. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 2 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the paid-up and subscribed Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder, in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders, can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://www.kfintech.com/)by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, https://smlmahindra.com/).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders, in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE294B20019. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders, and the Demat Suspense Account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders, can be accessed by such respective Eligible Equity Shareholders, on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders, before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders, of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders, holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders, holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. https://www.kfintech.com/). Such Eligible Equity Shareholders, can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders, holding the Equity Shares in dematerialised form.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

  This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

  The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA NDI Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA NDI Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

  The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

  The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

  Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

  Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

  Payment Schedule of Rights Equity Shares

  ₹ 3,506.00 per Rights Equity Share (including premium of ₹ 3,496.00 per Rights Equity Share) shall be payable on Application.

  Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE294B20019 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from December 1, 2026 to December 4, 2026 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE294B20019 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions

will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees one day prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE294B20019, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSBs to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSBs may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Draft Letter of Offer and this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSBs shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA NDI Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income- Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see "*The Issue*" beginning on page 35.

- ***Fractional Entitlements***

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 2 (two) fully paid-up Equity Shares for every 7 (seven) fully paid-up Equity Share held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than seven Equity Shares or not in the multiple of seven, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than seven Equity Shares as on Record Date shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Draft Letter of Offer, this Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank pari passu with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/RIGHT/PB/FIP/1103/2026-27 dated November 16, 2026 and from the NSE through letter bearing reference number NSE/LIST/58409 dated November 16, 2026 for listing of the Rights Equity Shares to be Allotted in this Issue. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the

Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 505192) and NSE (Symbol: SMLMAH) under the ISIN: INE294B01019. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within fifteen days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of our Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of our Promoter Group, see "*Summary of this Letter Of Offer – Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s)*" on page 14.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

(a) The right to receive dividend, if declared;

(b) The right to receive surplus on liquidation;

(c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

(d) The right to free transferability of Rights Equity Shares;

(e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and

(f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

  The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***

  There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

- ***Notices***

  Our Company will send through email and speed post, this Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

  Further, the Draft Letter of Offer, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

  All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Punjabi language daily newspaper with wide circulation (Punjabi being the regional language of Punjab, where our Registered Office is situated).

  The Draft Letter of Offer, this Letter of Offer, and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- ***Offer to Non-Resident Eligible Equity Shareholders***

  As per Rule 7 of the FEMA NDI Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. The permissions available under (i) and (ii) above are not available to investors who have been allotted such shares as Overseas Corporate Bodies. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at Einward.ris@kfintech.com. It will be the sole responsibility of the Investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

  This Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder are eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.,* from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue by submitting their respective copies of self-attested proof of address, passport, etc. at Einward.ris@kfintech.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "*- ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS*" ON PAGE 93.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	**MONDAY, 23 NOVEMBER, 2026**
ISSUE OPENING DATE	**TUESDAY, 1 DECEMBER, 2026**
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	**FRIDAY, 4 DECEMBER, 2026**
ISSUE CLOSING DATE*	**WEDNESDAY, 9 DECEMBER, 2026**
FINALISATION OF BASIS OF ALLOTMENT	**THURSDAY, 10 DECEMBER, 2026**
DATE OF ALLOTMENT	**THURSDAY, 10 DECEMBER, 2026**
DATE OF CREDIT OF RIGHTS EQUITY SHARES	**FRIDAY, 11 DECEMBER, 2026**
DATE OF LISTING	**MONDAY, 14 DECEMBER, 2026**

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees one day prior to the Issue Closing Date.

* *Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part including to the specific investor(s) making an application under Regulation 84(1)(f)(i) of the SEBI ICDR Regulations.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having

due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in Demat Suspense Account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a 2 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such other rate as specified under applicable law from the expiry of such 2 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

- **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

(a) Unblocking amounts blocked using ASBA facility.

(b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have

registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 2 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- **Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

a) Tripartite agreement dated May 31, 2016, amongst our Company, NSDL and the Registrar to the Issue; and

b) Tripartite agreement dated October 27, 2015, amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

9. Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.10 crores or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.10 crores or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.50 crores or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of the monies received out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

C. Details of all unutilized monies out of the monies received out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.

3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 2 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6. No further issue of equity shares and convertible securities shall be made till the securities offered through this Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., and other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.

7. Adequate arrangements shall be made to collect all ASBA Applications.

8. As on date, our Company does not have any convertible debt instruments.

9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "SML Mahindra Limited – Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

   KFin Technologies Limited
   Selenium Tower-B, Plot No. 31 & 32
   Gachibowli, Financial District
   Nanakramguda, Serilingampally
   Hyderabad, Telangana– 500 032, India
   Tel: +91 40 67162222/ 1800 309 4001
   E-mail: smlmahindra.rights@kfintech.com
   Website: https://www.kfintech.com/
   Contact Person: Williams R
   Investor Grievance ID: einward.ris@kfintech.com
   SEBI Registration Number: INR000000221

3. In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (*i.e.,* https://www.kfintech.com/). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is https://www.kfintech.com.

4. The Investors can visit following links for the below-mentioned purposes:

   a. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://www.kfintech.com ;

b. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: https://www.kfintech.com

c. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://www.kfintech.com

d. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: Einward.ris@kfintech.com

This Issue will remain open for a minimum seven days. However, our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The FDI Policy consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020 and press note no. 2 (2026 series), dated March 15, 2026, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations. Investors are cautioned to consider any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer.

RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with the Stock Exchanges and SEBI.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, renunciation, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Equity Shares are only being offered and sold in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act to Eligible Equity Shareholders located in jurisdictions where such offer and sale is permitted under the laws of such jurisdictions. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Entitlements or Rights Equity Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit this Letter of Offer into the United States at any time.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered are being offered in "offshore transactions" as defined, and in reliance on, Regulation S under the U.S. Securities Act.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "**purchaser**", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" (as defined in Regulation S under the U.S. Securities Act).

3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.

7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

11. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) our Company, any of its affiliates, has not made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

13. The purchaser acknowledges that any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company.

14. The purchaser will not hold our Company responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it.

15. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.

16. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

17. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.

18. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

19. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.

20. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.

21. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

22. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

23. The purchaser acknowledges that our Company, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SECTION VI: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. IST on all working days and will also be available on the website of our Company at https://smlmahindra.com/IN/investors/ri from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Registrar Agreement dated November 6, 2026, between our Company and the Registrar to the Issue.

2. Banker to the Issue Agreement dated November 6, 2026, between our Company, Registrar and the Bankers to the Issue.

3. Monitoring Agency Agreement dated November 6, 2026, between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended.

2. Certificate of incorporation dated July 26, 1983 issued to our Company by Registrar of Companies, Punjab, Himachal Pradesh. & Chandigarh at Jalandhar.

3. Certificate of commencement of business dated September 12, 1983, issued to our Company by the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar.

4. Certificate of incorporation pursuant to change of name of our Company from 'Swaraj Vehicles Limited' to 'Swaraj Mazda Limited' dated November 27, 1984, issued to our Company by Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar.

5. Certificate of incorporation pursuant to change of name of our Company from 'Swaraj Mazda Limited' to 'SML Isuzu Limited' dated January 3, 2011, issued to our Company by Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Chandigarh.

6. Certificate of incorporation pursuant to change of name of our Company from 'SML Isuzu Limited' to 'SML Mahindra Limited' dated October 8, 2025, issued to our Company by Registrar of Companies, Central Processing Centre.

7. Consent letter dated November 6, 2026 from our Statutory Auditors, B S R & Co. LLP, Chartered Accountants to include their name in this Letter of Offer, as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of and inclusion of (i) the Audited Financial Statements; (ii) the September Unaudited Financial Results and (iii) their audit report each dated April 20, 2026, in respect of the Audited Financial Statements and the September Unaudited Financial Results as at and for the Financial Year ended March 31, 2026 and six month period ended September 30, 2026.

8. Consent letter dated November 6, 2026, from B G S S & Associates, Chartered Accountants, one of the Independent Chartered Accountant for inclusion of the statement of special tax benefits available to our Company, its shareholders dated November 6, 2026.

9. Consent from P Y S & Co LLP, Chartered Accountants, one of the Independent Chartered Accountants for inclusion of the carve-out financial information of the truck and bus division of Mahindra & Mahindra Limited dated November 5, 2026, and such consent has not been withdrawn as of the date of this Letter of Offer.

10. Statement of special tax benefits available to our Company, its shareholders dated November 6, 2026, from the Independent Chartered Accountant included in this Letter of Offer.

11. The carve-out financial information of the truck and bus division of Mahindra & Mahindra Limited dated November 5, 2026 prepared by P Y S & Co. LLP, Chartered Accountants, the Independent Chartered Accountant.

12. The September Unaudited Financial Results and the report issued by our Statutory Auditors thereon, dated October 19, 2026.

13. The Audited Financial Statements and the audit report dated April 20, 2026 by our Statutory Auditors in respect of the Audited Financial Statements.

14. Resolution of our Board of Directors dated November 6, 2026, approving and adopting the Draft Letter of Offer.

15. Resolution of our Board of Directors dated November 16, 2026 in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement ratio.

16. Resolution of our Board of Directors dated November 16, 2026, approving and adopting this Letter of Offer.

17. Annual Reports of our Company for the Financial Years 2026, 2025 and 2024.

18. Copies of the Offer Document of the immediately preceding rights issue.

19. In-principle listing approvals each dated November 16, 2026 issued by BSE and NSE for listing of the Rights Equity Shares to be Allotted in this Issue, respectively.

20. Tripartite agreement dated May 31, 2016 amongst our Company, NSDL and the Registrar to the Issue.

21. Tripartite agreement dated October 27, 2015 amongst our Company, CDSL and the Registrar to the Issue.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders subject to compliance with applicable law.

There are no other agreements/arrangements entered into by our Company or clauses/covenants applicable to our Company which are material, not in the ordinary course of business and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

DECLARATIONS

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Vinod Kumar Sahay

DIN: 07884268
Executive Chairman and Whole-time Director

Date: November 16, 2026
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Mahima Chugh
DIN: 07448152
Non-Executive and Non-Independent Director

Date: November 16, 2026
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Chandra Shekhar Verma
DIN: 00121756
Independent Director

Date: November 16, 2026
Place: New Delhi

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Arun Kumar Malhotra
DIN: 00132951
Independent Director

Date: November 16, 2026
Place: Gurgaon

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Smita Mankad
DIN: 02009838
Independent Director

Date: November 16, 2026
Place: Manila, Philippines

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ravi Venkatraman
DIN: 00307328
Independent Director

Date: November 16, 2026
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE INTERIM CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Manaswini Goel
PAN: AEVPM1696P
Interim Chief Financial Officer

Date: November 16, 2026
Place: Mumbai