Transcript of the proceedings of 40th Annual General Meeting of Sharda Motor Industries Limited held on Thursday, September 18, 2025 through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')

Nitin Vishnoi	Good afternoon, shareholders and other participants. I, Nitin Vishnoi, Executive Director & Company Secretary of Sharda Motor Industries Limited, extend a warm welcome to all attendees of the 40th Annual General Meeting of the Company. This meeting is being conducted through Video Conferencing in accordance with the applicable circulars issued by the regulators. Members joining the meeting have been placed on mute mode by the moderator to ensure smooth conduct of the proceedings. As informed by the moderator, the requisite quorum is present. Accordingly, with the permission of the Chairman, I call the meeting to order. Before we commence the proceedings, I would like to take a moment to introduce our directors and other dignitaries who have joined this meeting through video conferencing. First of all, I would like to introduce Shri Kishan N. Parikh, Chairman of the company and also, Chairman of the Risk management and Corporate Social Responsibility committees.
Kishan N. Parikh	Good afternoon, everyone
Nitin Vishnoi	Thank you, sir. Then Shri Ajay Relan who is the Managing Director of the company.
Ajay Relan	Good afternoon everyone
Nitin Vishnoi	Thank you, Sir, now, Shri Udayan Banerjee, Independent Director and Chairman of Stakeholders Relationship Committee
Udayan Banerjee	Good afternoon, everyone
Nitin Vishnoi	Navin Paul who is Independent Director and also Chairman of Audit Committee and Nomination & Remuneration Committee.
Naveen Paul	Good afternoon, everyone
Nitin Vishnoi	Ghan Shyam Dass, Chief Financial Officer.
Ghan Shyam Dass	Good afternoon, everyone
Nitin Vishnoi	Sandeep Dinodia, Senior Partner, S.R. Dinodia & Co. LLP, Statutory Auditors
Sandeep Dinodia	Good afternoon everyone
Nitin Vishnoi	Good afternoon. Thank you. Sandeep San. Then I would like to introduce you with Shri Vineet Kumar Chaudhary who is the Managing Partner of VKC and Associates, Secretarial Auditors of the company.

Vineet Kumar Chaudhary	Good afternoon, everyone.
Nitin Vishnoi	Thank you, I would now like to inform you that Mrs. Sarita Dhuper who is the independent director of the company, could not attend this meeting. Further, I would also like to inform the members that the Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which Directors are interested, the Register of Charges, and other documents mentioned in the Notice convening this Annual General Meeting are available for digital inspection. Members may access and inspect these documents through their login portal with the depositories. Now I will request Shri Kishan N. Parikh, Chairperson of the Company, to address the member and commence the proceedings of this 40th Annual General Meeting of the Company over to Parikh sir.
Kishan N. Parikh	Thank you Mr. Vishnoi. My dear shareholders, members of the board, distinguished guests and ladies and gentlemen, a very good afternoon to each and every one of you. It gives me immense pleasure to extend a warm welcome to all of you at the 40th AGM of Sharda Motor Industries Limited. I also want to thank you for sparing your valuable time to join us and hope that each one of you is doing well. I earnestly hope that FY26 will be a healthy and productive year for all of us. The Annual Report for the Financial Year ended 31st March, 2025 along with the AGM Notice, Directors' Report and Audited Financial Statements of the Company, including Auditor's Reports thereon for the year ended 31st March, 2025 which does not contain any qualifications, observations, comments or adverse remarks on the financial transactions or matters, has already been circulated to you and with your permission, we may take them as read. I am sure that the same has received your due attention. Let me begin by setting the context with a brief discussion on the Indian economy in FY25. Our economy once again demonstrated remarkable resilience amid heightened global volatility from trade disruptions to escalating tariff battles. Backed by strong domestic fundamentals and proactive policymaking, India has reinforced its reputation as a stable and growth-oriented market. In this dynamic environment, Sharda Motor Industries Ltd. (SMIL) has not only navigated disruption successfully but has also positioned itself as a shaper of the future mobility ecosystem. We have moved beyond resilience, actively pursuing leadership in select component categories. Our expanding market share and growing customer recognition reflect our steadfast commitment to quality, reliability, and performance. At SMIL, innovation is not confined to R&D spending — it is deeply ingrained in our culture and in the way we engineer outcomes. Over the past few years, we have consistently invested in building strong R&D capabilities and cultivating a culture of business-focused

	innovation. These efforts have yielded tangible results: in the last three years, we have filed 15 IP applications and already secured 3 patents so far. In FY25, we continued to strengthen our innovation agenda by investing Rs. 21.65 crores in research and development. Our R&D strategy combines in-house expertise with external collaborations, including joint ventures, ensuring we remain ahead of industry trends while delivering enhanced value to our customers. Turning to our financial performance, I am pleased to share that SMIL delivered steady growth in FY2024–25: • Revenue reached Rs. 2,836.6 crores, reflecting a year-on-year growth of 1%, broadly in line with the industry. • Gross Profit stood at Rs. 740.3 crores, an increase of 11% — a strong indicator of our momentum. • EBITDA rose by 10% to Rs. 396.4 crores; and • PAT grew by 5% to Rs. 314.9 crores. We also maintained a zero-debt position with surplus funds available to support our future growth. Regulatory evolution continues to be a powerful tailwind for our business. Stricter emission norms are accelerating technological innovation and driving consolidation in the industry. Sharda Motor Industries Ltd. is well-prepared for this evolving landscape, backed by strong R&D, backward-integrated manufacturing, and proven execution capabilities. These strengths also enable us to tap adjacent product opportunities such as temperature-controlled tubes, lightweighting solutions, and offerings in the commercial vehicle and off-highway space. Beyond regulations, several structural shifts are reshaping the mobility ecosystem. Lightweighting, for instance, has become central to automotive design, driven by fuel efficiency, safety, cost, and range considerations. OEMs are increasingly adopting advanced materials and technologies, and SMIL is well-positioned to capture this opportunity, thereby increasing content per vehicle and strengthening our role as a preferred supplier. Looking ahead, as the industry transitions toward sustainable and efficient mobility, we are exploring growth opportunities in powertrain-agnostic products through technical alliances and joint ventures. On the global front, India has set an ambitious target of $100 billion in auto component exports by 2030 and on the back of scalable capacity, proven reliability, and cost competitiveness, Sharda Motor Industries Ltd. is ideally positioned to benefit from these shifts. Government initiatives such as Make in India, PLI schemes, and infrastructure-led growth further strengthen this opportunity landscape, aligning well with our emphasis on local sourcing and backward integration.

	With strong industry tailwinds, robust internal capabilities, and a clear strategic roadmap, the path ahead is well defined. Our focus now is on disciplined execution and that will be our priority in the years to come. Before I conclude, I extend my heartfelt appreciation to the entire SMIL team for their relentless commitment and contribution to our growth journey. On behalf of the Board, I also wish to thank all our valued stakeholders' customers, employees, vendors, investors, bankers, government partners, and above all, our shareholders for the continued trust and support you place in us. Together, we look forward to building a stronger, more sustainable, and more innovative future for Sharda Motor Industries. Thank you, everyone, for joining us today. Nitin, I request you to take the proceedings further.
Nitin Vishnoi	Thank you very much, Sir, for your thoughtful remarks. With this, I would now like to brief you about the voting procedure. The company has provided the facility for the remote e-voting as well as E-voting during the AGM. These facilities have been enabled by the CDSL for all the members whose name appears in the register of the Members as on the cutoff date that is Thursday, September 12, 2025. The Remote e-voting period commenced from 9:00 am on September 15, 2025 and ended on September 17, 2025 at 5:00 pm. Those members who have not casted their vote during this remote e-voting period may now cast their vote electronically at the AGM as per the procedure detailed in the notice calling this 40th AGM. The combined result of the remote e-voting and the voting at the AGM shall be declared within the stipulated time on the basis of the Scrutinizers report and shall be placed on the website of the Company and CDSL and shall also be available on the website of the stock exchanges. Shri Vineet Kumar Chaudhary and in his absence Shri Mohit Kumar Dixit Company Secretaries in practice have been appointed as the scrutinizer to scrutinize the entire voting process of this 40th AGM in a fair and transparent manner. Now I would like to quickly summarize the businesses stated in the notice calling this AGM as per agenda item number 1 to 6. 1A) the audited standalone financial statement of the company for the financial year ended March 31, 2025 along with the reports of the Board of Directors and Auditors thereon; and. 1B) the audited consolidated financial statement of the Company for the financial year ended March 31, 2025 and the report of Auditors thereon. 2. To declare a final dividend for the financial year 2024-25. 3. To re-appoint Shri Nitin Vishnoi (DIN: 08538925), Director, who retires by rotation, being eligible and offers himself for re-appointment as Director of the company. 4. To appoint M/s. VKC & Associates, Company Secretaries, (Unique Code P2018DE077000) as secretarial auditors of the company.

	5. To ratify the remuneration to be paid to M/s Gurdeep Singh & Associates, cost auditors of the company. 6. Payment of commission to the non-executive directors of the company. The full resolution along with the detailed explanatory statements is included in the notice circulated to the members calling this 40th AGM. Now I will request Shri Vineet Kumar Chaudhary scrutinizer for this 40th AGM to take on the proceedings and brief about the voting process at the AGM. Now over to Vineet Ji.
Vineet K Chaudhary	Thank you Mr. Vishnoi, the e -voting facility at the AGM is open for those members who have not casted their vote earlier in the process of e voting. So to participate in this, shareholders may also kindly take note that e voting page is there. You have to click on the e voting page. Once there you will be prompted to select one of the options for voting that is for the resolution against the resolution or abstain. After making your selection, kindly submit your vote. We request and encourage all the eligible members and the shareholders to kindly participate and vote on the regulations and to participate in the process. Please note that as a mentioned by Mr. Vishnoi. The e voting facility will remain open for 15 minutes following the conclusion of the meeting as may be declared by the respective chairman. So thank you Mr. Vishnoi, this is the process. The members may kindly take note and participate in the process who could not exercise their voting rights at the e-voting facilities.
Nitin Vishnoi	Thank you, Vineet Ji, for the information to the shareholders. Now with the permission of the chair, I now announce the opening of the question-and-answer floor the speaker member to ask their question on the or express their views. Before we start, please take note of a few things for the smooth Q & A session. The session shall be facilitated by the moderator. Since each member is allotted three minutes to present his or her views or ask question, I would request you to please keep your questions precise and to the point. If there is any connectivity issue the moderator shall unmute the next speaker. All the questions will be answered in at the end of the session. So now I will request the moderator to please unmute the speaker first to the first speaker monitor.
Khushambi Goyal	Please share the details of company’s growth strategy in the coming years. I have only one question that company's growth strategy in the coming years.
Vinay Gupta	As the export is one of the growth drivers of the company in the next few years. So how we have performed so far this is the first and another is what is the capex plan for current and next financial year. And the last question is what is the assessment of the management about EV risk as major revenue come from the emission products.
Nitin Vishnoi	Thank you, Vinay. I think we have noted your questions and I will request post this session to our CFO to answer all your questions.

	Thank you, Vinny for it for joining us. Now I will request the moderator to please take the next speaker to unmute the next speaker.
Ashok Kumar Jain	Good afternoon Chairman Sir, Board of Directors and my co-fellow shareholders. I Ashok Kumar Jain joined the AGM from Delhi. I thanks to our Chairman Sir for an excellent speech. In his speech, the Chairman explained every aspect of the Company's performance and also told us about the current and future plans of the company. So I am very happy to see the business growth of our company Sir. And I also thanks to our Company Secretary and his entire team for giving me opportunity to express my view in front of the management sir, on my single request I received annual copy hard copy of annual report. So most of my queries have covered under chairman sir speech in the annual report. Sir, now I have only one question. What is the plan to utilize the surplus fund sir, and checking how our joint venture is performing Sir, I support other resolutions sir. Thank you, sir. Thank you.
Nitin Vishnoi	Thank you, Mr. Jain. Now I would like to check with the moderator if another speaker who was not available earlier is available so we can unmute. Mr. Surinder Kumar Arora was there so as a selected speaker. So, if he's available now to you can unmute him. Otherwise, I would request the chief financial officer of the company to address the question which has been raised by our shareholders. Okay, thank you. Noted. So now I will request Mr. Ghanshyam Das to please address the shareholders who have placed their questions to answer them.
Ghan Shyam Dass	Thank you very much. Mr. Nitin Vishnoi, good afternoon. Respected chairman, respected board members and shareholders of Sharda Motor Industries Limited thank you very much for your questions. These are very pertinent and relevant questions. I will respond to these one by one. The first question one of the shareholders asked was about the growth strategy of the company. Your company works relentlessly to grow the business by focusing on newer areas of growth. And that is what we continue practicing on a daily basis in our business. Key areas where as a company we see strong growth in the coming years are lightweighting exports, adjacencies in emissions and regulatory changes in the emission norms like BS6, BS7, TRAM5. Many emission norms are there which are expected to change. So these are few areas where we see strong growth coming in for your company. Then moving to the second question and that question was about the exports. One of the shareholders mentioned that export is one of our growth drivers. How have we performed so far in this respect? I'm pleased to inform you that company is performing very well in regard to exports. This is one of the focus areas of your company. In fact last year we established a separate new vertical to focus on this segment with an independent CEO. We have already secured a significant order worth approximately US$7 million of annual business from one of the leading North American players. The expected start of

	production is in financial year FY27. In addition to this the company is working on various other opportunities as well as and when any significant order is backed by the company, we will apprise the shareholders through regulatory filings and our quarterly investor presentations. The next question was on the capex plan for the current financial year and next financial year. In this regard, in the normal course of business we incur capex which is largely in the range of 75 crores, 70, 60, 75, 80 crores which is largely incremental and intended for our regular business operations. However, we will always be open to allocate further capex towards growing our lightweighting business which is one of the areas which I mentioned as part of our growth strategy. This we will do either through technical alliances, joint ventures and in addition to that we will also allocate capital towards acquisition in powertrain agnostic products as and when we get the right opportunity for existing business. Also we will invest in new facilities as and when the need arises based on the customer requirements. Now moving to the next question which was about EV risk because majority of our revenues come from emission products, the company makes exhaust products for passenger vehicles, commercial vehicles, off highways, gen sets etc. So in a way we cater to all segments of the market. The shift towards alternative powertrain options including EVs particularly in passenger vehicle segment is a welcome change. The landscape as such is evolving with the announcement of new CAFE norms which you may have come across. These trends have presented both the opportunities as well as challenges for the companies like us. Increased launches recently in hybrid segment, growth in penetration of CNG are few examples. It is worth mentioning that our products are required in all types of alternative powertrains. So CNG, Hydrogen as and when it comes up Flexi fuels, all hybrids, our product is required. The only segment where our products are not required is fully electric vehicles (EVs) with our growth strategy which we summarized in response to first question, the share of PV in relative terms will gradually go down over the few years and therefore the impact of EV transition in PV segment will be very limited as far as Sharda Motor Industries is concerned. Then moving to next question which was about utilization of surplus funds in this regard. As you know a company has surplus funds on its balance sheet. The company will keep balance between returning that surplus cash to the shareholders either in the form of increased dividends or in any other tax efficient forms which are available. And the recent announcement by the board in terms of declaration of dividend which is there for your kind approval is one of the examples of rewarding the shareholders. Now on the business side we keep exploring opportunities as you would be knowing we had Set up one new plant last year at Chakan. And we will update as and when we plan further investments in new businesses in any joint ventures or acquisitions. Now moving to the last question which was about the performance of our joint venture with Purem. The name of the company is Exhaust Technology Private Limited. It has been steadily improving its financial performance. If you see our consolidated

	results, they have been contributing positively to our bottom line for the last couple of years. And so was the year gone by. However, the amount is very small as compared to the size of our bottom line. However, as I said, they are contributing positively next year which means this one. So we expect the company to grow in line with the industry growth. With that I have covered all the questions. I request now Mr. Nitin Vishnoi to take the proceedings further. Thank you very much. Thank you everyone.
Nitin Vishnoi	Thank you. Mr. Dass. I hope that Mr. Dass has addressed all the questions raised by the member speakers and I believe that most of the questions which were otherwise raised on the email and received by us has also been addressed by giving his detailed answer to the various question which was raised by the members. With this, the formal business of this AGM is concluded. Now I will request the Chairman to give his closing remark for this meeting over to Chairman Sir.
Kishan N. Parikh	Thank you, Nitin, Ladies and gentlemen, as we conclude today's Annual General Meeting, I would like to extend my sincere gratitude to each of you for your valuable time, active participation and continued support. Your engagement in these discussions and voting process reflects your commitment to the growth and governance of the company. Thank you. Have a good day.
Nitin Vishnoi	Thank you, sir. Now Members may please note that the e-voting on CDSL platform will remain available for the next 15 minutes. Therefore, the members who have not casted their vote yet are requested to please cast their vote now with this now I formally declare that this 40th AGM of the company is concluded with a vote of thanks to the Chair. Thank you. And thank you all the members who have joined us. Thanks.