



SHARDA MOTOR INDUSTRIES LIMITED

QUALITY POLICY **(Aligned with IATF 16949:2016)**

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Quality Policy (Aligned with IATF 16949:2016)

1) Purpose and Objectives

Sharda Motor Industries Limited (SMIL) operates in the dynamic automotive components industry, where customer-specific requirements, regulatory compliance, and continual improvement are critical to business success. Quality remains a fundamental requirement for customer satisfaction and sustained competitiveness.

SMIL has embarked on a Transformation Journey with the objective of enhancing customer and consumer experience through superior quality, customer-focused processes, and robust end-to-end automotive technologies.

The objectives of this Quality Policy are to:

- Consistently meet customer, statutory, regulatory, and customer-specific requirements
- Achieve zero-defect mindset through defect prevention and reduction of variation and waste
- Enhance customer satisfaction by delivering safe, reliable, and compliant automotive products
- Promote risk-based thinking throughout product realization and support processes
- Drive continual improvement in product quality, process effectiveness, and system performance

2) Scope and Applicability

This Quality Policy applies to:

- All SMIL automotive product lines and supporting functions, including design, development, manufacturing, validation, and commercialization
- All employees, management, temporary staff, and persons working on behalf of SMIL
- All SMIL plants, offices, and project locations
- External providers, suppliers, and service providers forming part of SMIL's automotive supply chain

The policy covers the entire product life cycle, from concept and design through manufacturing, delivery, service, and end-of-life considerations, as applicable.

3) Principles

SMIL's Quality Management System is based on ISO 9001 and IATF 16949 principles, including:

- Customer Focus & Customer-Specific Requirements (CSR): Understanding and fulfilling OEM and end-customer requirements
- Leadership & Accountability: Establishing unity of purpose, quality ownership, and accountability at all levels
- Engagement of People: Developing competence, awareness, and involvement of employees and partners as One Team
- Process Approach & Risk-Based Thinking: Managing processes with identification and mitigation of risks and opportunities
- Defect Prevention: Preventing nonconformities rather than detecting them through robust planning and controls
- Evidence-Based Decision Making: Using data, KPIs, and analysis for decision-making
- Relationship Management: Strengthening supplier partnerships for consistent automotive quality

4) Legal and Regulatory Requirements

SMIL is committed to complying with:

- All applicable statutory, regulatory, customer, and automotive-specific requirements, including safety, environmental, and product compliance obligations
- Product safety, homologation, and applicable international automotive standards
- Legal requirements related to social responsibility, resettlement, rehabilitation, and community impact, where applicable

5) Policy Commitments

SMIL commits to:

- Delivering conforming, safe, and reliable automotive products that meet customer and regulatory requirements
- Implementing advanced product quality planning (APQP), risk analysis (FMEA), process capability, and control plans to prevent defects
- Continually improving design, development, manufacturing, and validation processes using automotive core tools

- Optimizing resource utilization throughout the product life cycle and supporting sustainability initiatives
- Ensuring supplier quality management, including development, monitoring, and performance improvement
- Investing in innovation, new technologies, and automation to improve quality, efficiency, and sustainability
- Promoting employee competence, awareness, and engagement through training and development
- Enhancing the quality of life of stakeholders and minimizing negative social and economic impacts of operations
- Supporting local development priorities and being sensitive to community concerns, especially in underdeveloped regions

6) Implementation and Monitoring

- This Quality Policy is communicated, understood, and applied across all levels of the organization
- Measurable quality objectives aligned with this policy are established at relevant functions and levels
- Performance is monitored through KPIs, internal audits, customer feedback, supplier evaluations, and management reviews
- Nonconformities are addressed through root cause analysis and corrective actions
- Continual improvement is driven through risk management, lessons learned, and best-practice deployment
- Top management ensures the effectiveness and continual improvement of the Quality Management System

All employees, suppliers, and business partners are expected to adhere to this Quality Policy in letter and spirit.