

SML/SEC/2023-053
16th August, 2023

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: SMLISUZU

Subject: Response to the queries raised by a shareholder of the Company

Dear Sir,

Pursuant to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Regulations”), please find enclosed response to the queries raised by a shareholder of the Company.

This is for your information and record please.

Thanking you,

Yours faithfully

For **SML ISUZU LIMITED**

**Parvesh
Madan**

Digitally signed by Parvesh Madan
DN: c=IN, st=Chandigarh,
2.5.4.20=0b1a77f5d9a99200e1348eb152e93a87ffaccc
34c819fbda66cfac5b8323, postalCode=160047,
street=House No 458 Sector 44 A Chandigarh,
serialNumber=321a9b0c098ab0fac7f996a0599dd0277
6841320919f9a61168989c5a832a3, cn=Parvesh Madan
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(PARVESH MADAN)

Company Secretary

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SML ISUZU Limited

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Trucks & Buses

Response to the Queries raised by a Shareholder of the Company

Q1. It is noted that in last two quarters, Raw Material cost for other CV players as percentage of sales has gone down by 3-4%. But for SML ISUZU LTD. Raw Material cost has actually gone UP by 4% over same last two quarters.

Can you little explain and indicate weather our Raw Material cost will come down in coming quarters?

With softening of Commodity Prices, the Company's Material cost started declining from Q2 (FY 2022-23) onwards which is in line with Industry.

Please note that total raw material cost disclosed quarter on quarter (in Financial Results) comprises of the following:

- a) Cost of materials consumed*
- b) Purchase of stock in trade ; and*
- c) Change in inventories of finished goods, WIP & stock-in-trade.*

Change in inventories includes impact of overheads loading on inventory of WIP & Finished Goods. Since there was substantial increase in the inventory of WIP & Finished Goods at end of Q3, Raw Material cost (as % to Revenue) is lower as compared to other quarters.

Furthermore, there is no abnormality in the raw material cost.

Due to uncertain global economic conditions, supply chain disruptions and higher demand, the commodity prices are expected to remain volatile in the near future.

Q2. Company has done great in Buses segment, but you are lagging behind in Cargo. What company plans to do about Cargo?

To improve cargo sales, the Company is taking various measures such as - new market & segment penetration, introduction of new variants, reach potential customers through enhanced channel network, focused manpower towards cargo business including extra focus of Company's manpower/dealers towards cargo during lean period for bus business. With these measures, the Company is expecting improvement in its market share in the cargo segment.

With Government push towards infrastructure growth, increased focus on replacement of old vehicles and on green mobility, total industry volumes are expected to increase.

Q3. Can you give the break-up of Bus sales in Q1 FY24 between School and Non-School Buses or like Staff and Tourist Buses etc.?

The Company is appropriately disclosing the break-up of its sales figures on monthly basis and in the Annual Report to shareholders.