

Management Discussion and Analysis

INDUSTRY OVERVIEW

Global light vehicle sales were around 81 million units in 2021. Although the automotive industry sales recovered from the lows of Covid-affected quarters, it was still far behind the peak of ~94 million units in 2018. The automotive industry faced multiple supply-side disruptions that depressed global vehicle production, particularly in the second half of the year. The emergence of new Covid-19 variants and the geopolitical conflict in Europe compounded the supply-side challenges caused by the global semiconductor shortage. Wide-scale vaccination across the globe has helped the resumption of economic activities from the pandemic-induced restrictions, thus supporting the demand for new vehicles across the markets.

The automotive industry is in the midst of a transformational phase. Global megatrends such as evolving competitive landscape, electrification of powertrain, growing digitalisation and supply chain recalibration, are transforming the mobility industry at an unprecedented pace.

EVOLVING COMPETITIVE LANDSCAPE

The competitive realm of the automotive industry is shifting away from traditional classifications based on legacy, established production systems or geographical factors. Due to the convergence of multiple new technologies, the sector has witnessed a plethora of new entrants and new business models.

The industry now comprises the legacy brands, leading contenders from the globalization era and new technology companies. The automakers have reset the production lines to incorporate software, data and cloud as crucial elements of the final product, and the road has opened up for platforms and partnerships in the sector as participants bring varied, but complementary strengths to the table.

The basis of competition in the industry has shifted from cost-leadership and manufacturing excellence to leadership through technology and design excellence, complimented by mass customisation, which marks the current competitive frontier. As a result, the leading contenders in the global industry today comprise players with vastly differing origins.

ELECTRIFICATION

While the automotive industry had to navigate through various uncertainties in recent years, a sustained trend has been the accelerated adoption of EVs. Rising awareness regarding climate change, regulatory guidelines with regards to stringent emission and fuel economy norms, consumer preferences to reduce CO₂ emissions, coupled with favourable government policies and fiscal support, are expected to drive the growth of electric vehicles over the foreseeable future.

As per IEA's Global Electric Vehicle Outlook 2022, sales of electric cars – battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) – nearly doubled year on year to 6.6 million in 2021, accounting for >8% of total light-vehicle sales. It increased from 4.0% in 2020 and from merely 0.9% in 2016. While EVs, including plug-in hybrids, remain a small market, executives and experts expect an aggressive ramp-up over the next decade. CY 2021 marked an inflection point in the electrification trend as BEV volumes have achieved critical mass, and nearly all major automakers have announced or indicated a pivot to electric vehicles.

By 2025, IEA expects global electric vehicle sales to reach ~15 million, accounting for ~15% of global light-vehicle sales by volume. By 2030, IEA expects global electric vehicle sales to cross 27 million, accounting for ~22% of light-vehicle sales.

GROWING DIGITALISATION

Technological advancements and rapid digitalisation have enhanced all vehicle life cycle stages, including R&D, design, production and on-road performance. Digitalisation drives higher process efficiency and has resulted in increased performance and safety. Customers' expectations have increased significantly, and the features and functions that a vehicle must offer, have become increasingly relevant, as they have started viewing vehicles as digital objects which are connected and need to integrate with other products in their environment. Therefore, the digital business models is becoming extremely significant to automakers.

Scalable central computing clusters, embedded artificial intelligence (AI) capabilities and connected experiences, delivered through tech ecosystems will characterise the future vehicle architectures. New automotive applications and services will leverage such technology to communicate road conditions, improve ride experiences and improve machine efficiencies and performance. Alongside digitalisation, the development of assisted and autonomous driving remains a crucial factor for the future of mobility. New paradigms in user experience and service offerings are clearly around the corner.

RECALIBRATION IN SUPPLY CHAINS

The pandemic brought to the fore challenges within the supply chain. The supply chain issues including a global shortage of semiconductor chips, which resulted in historically-low vehicle inventories and drove record pricing, amid resilient consumer demand and shift towards higher-value models, as automakers rationalised available supply towards premium products. Along with mass customisation, this may serve as a reset towards a lower sales channel inventory model for the industry.

INDUSTRY OUTLOOK

The outlook for 2022 is of continued recovery in vehicle sales, principally led by a gradual easing of supply-side constraints, particularly the availability of semiconductors. IHS Automotive expects the global light vehicle sales to reach ~80.4mn in 2022, but supply and demand issues, coupled with the ongoing pandemic risks, may cause hindrance to auto industry's recovery throughout the year.

COMPANY OVERVIEW

Sona BLW Precision Forgings Limited was incorporated in 1995 as Sona Okegawa Precision Forgings Limited in New Delhi, India. In 2013, the company was renamed as Sona BLW Precision Forgings Limited. After the acquisition of Comstar Automotive Technologies Private Limited in 2019, the Combined Entity has a new brand identity - Sona Comstar.

Sona Comstar is among India's leading automotive technology companies. It designs, manufactures and supplies highly-engineered, mission-critical automotive systems and components such as differential assemblies, differential gears, conventional and micro-hybrid starter motors, BSG systems, EV traction motors (BLDC and PMSM) and motor control units to automotive OEMs across the US, Europe, India and China, for both electrified and non-electrified powertrain segments.

The Company has nine manufacturing and assembly facilities located across India, USA, Mexico and China, of which six are located in India. The facilities in India (Chennai), China, Mexico and USA manufacture conventional and micro/plug-in hybrid starter motors and BLDC/PMSM traction motors. The plants in Gurugram, Manesar and Pune (India) manufacture differential gears, differential assemblies and other gears. While the facilities in India are manufacturing plants, the facilities in the US, Mexico and China operate as satellite final assembly plants.

The company is a global supplier and around 76% of its revenues are from international sales. It is also one of the leading suppliers for battery electric vehicles, with 25% of its revenues being derived from the BEV market.

With a strong focus on research and development ("R&D"), it develops mechanical and electrical hardware systems and components, along with base and application software solutions, to meet the evolving demands of its customers. It is one of the few companies globally possessing the ability to design high-power density EV systems, handling high torque requirements with a lightweight design, while meeting stringent durability, performance and NVH specifications, thereby enabling EV manufacturers to enhance the vehicle range, acceleration and overall efficiency.

It is a technology- and innovation-driven company, which is guided by an experienced Board of Directors and a professional management team with expertise in the automotive industry and a proven track record.

With product offerings spanning all types of conventional and electrified powertrains, the Company is one of the few automotive technology manufacturers that are well-positioned to capitalise from the conventional platforms and evolving high-growth industry trend of electrification.

OPPORTUNITIES

"Electrification" – Capturing market opportunity in the growing EV space

The global trend toward electrification of vehicles continues to expand. Today, Sona Comstar's product offerings in all types of electrified powertrains, places it attractively to leverage the mega-market opportunity of the emerging and high growth EV business. Its commitment and focus on ESG will continue to increase as it plans to expand its EV revenue share. As of 31st March 2022, it had 30 EV programme awards across 19 unique customers. As part of its growth strategy, the Company plans to increase its market share in both the Indian and overseas markets by catering specifically to EV OEMs across both of its product lines:

- **EV geartrain components:** Anticipating the overall market shift towards electric mobility, it has developed its EV geartrain components, such as differential assemblies, differential gears and transmission gears, with core design features that meet the demand of increasing vehicle electrification such as high-power density, improved fuel efficiency and reduced weight. The Company has been supplying differential gears in the global EV market since April 2016 and differential assemblies since 2018. The consistent efforts undertaken by the Company to grow in this segment have enabled it to garner new business awards and strengthen its position to compete in the global marketplace. The Company remains confident of benefiting from the growing shift towards electrified drivetrains by further increasing its customer base and expanding its share of business with existing EV customers.
- **EV traction motors and motor control units:** With the growing market shift towards electrification of vehicles, the demand for hybrid and battery electric PVs, electric two-wheelers and three-wheelers are growing rapidly in India and globally. As the Company already designs and manufactures traction motors and motor control units for electric vehicles, with PMSM motors for EV and hybrid PVs and BLDC & PMSM motors for electric two-wheelers

Management Discussion and Analysis

and electric three-wheelers, it is well-positioned to benefit from the expected growth in the Indian EV market across all vehicle categories. It also pioneered the launch and commenced the supply of BLDC motors for Indian electric two-wheelers and three-wheelers in November 2020. As part of its growth strategy to establish market leadership in the Indian EV segment, it aims to increase its customer penetration and acquire new customers for its traction motors and controllers.

Increasing market share globally

- Achieving significant global share from existing systems and components:** Sona Comstar has increased its global market share of differential gears and starter motors to 6.3% and 4.6%, respectively, in CY 2021, and from 5.0% and 3.0%, respectively, in CY 2020, as per the data from the Ricardo Report. As part of the strategy, the Company intends to penetrate the European market by supplying differential assemblies and differential gears, where it currently has a limited market share for its driveline products. It also plans to expand its presence in China to supply its micro/plug-in hybrid starter motors for PVs and LCVs and 48V BSG systems for hybrid PVs, as it expects to benefit from China's growing position as a leading market for EV manufacturers. As part of its growth strategy, the Company set up an assembly plant in China in 2015 and Mexico in 2017 in order capture a higher market share in the Chinese and North American markets.
- Benefiting from the industry trend towards multi-axle vehicle drives:** According to the CRISIL Report, the automotive industry across the globe is experiencing an increased market preference for multiple axle vehicles in PVs, CVs and tractors. A gradual shift in demand towards four-wheel-drive vehicles, particularly in the utility vehicle segment, is projected to result in higher per-vehicle gear content. It expects this trend to increase the demand for its differential gears significantly and aims to achieve its growth objectives by capitalising on this shift in market preference for multiple axle vehicles.
- Benefiting from integrated powertrain systems in EVs:** Today, it is among the limited number of players who are well placed to combine its motor and driveline capabilities to offer a compelling value proposition to its EV customer base. Integrated drive units have three key components namely, differential assembly, high voltage traction motors and high voltage inverters. Since it already manufactures electric drive motors and inverters for electric 2-wheelers and hybrid PVs, as well as differential assemblies for battery electric passenger vehicles, it is placed uniquely to integrate the three key constituents of the electric powertrain into a single matched unit, offering an efficient and compact solution to EV OEMs.

Continue to focus on R&D to develop new and innovative systems and components

With its deep emphasis on R&D and innovation, it aspires to enhance and adopt newer technologies consistently. The Company has developed extensive in-house capabilities to develop embedded systems, application softwares and integration capabilities to offer its customers a complete solution. The strong in-house capabilities of the Company have also enabled it to deliver evolving green technologies for future mobility.

Additionally, the Company aims to capture the growth trend in revenue realisation per vehicle through increasing electrification by continuously investing in R&D to develop and deliver new and innovative systems and components.

Although the core of its strategy is to continue achieving growth organically through investment in its technological capabilities, business development skills and customer relationships, the Company will continue to evaluate inorganic growth opportunities such as acquisitions and strategic alliances, that would provide it with complementary technologies that have a similar financial profile.

THREATS, CONCERNS AND RISKS

The company has a strong mechanism to anticipate and manage risks. The Company's robust systems, processes, standards, code of conduct, organisational structure and appropriate review mechanisms enable it to conduct its business and actively monitor, manage and mitigate potential risks.

The business of the company is susceptible to certain risks and uncertainties arising from the following factors:

Escalation of geopolitical uncertainty

The Company's business is dependent on the performance of the automotive sector globally, including key markets such as the US, Europe, India and China. The Company has operations in multiple countries that can be impacted by expected and unexpected changes in the legal and regulatory environments in which it operates. Additionally, by having its business operations across the globe, any geopolitical instability in these countries or regions could impact the company and challenge its overall performance.

Volatility in key Raw Materials

The Company's business could be affected by commodity price volatility which could affect the overall cost of manufacturing operations of the firm. Though it has adequate mechanisms to monitor and manage various market risks, the effects of changes in commodity prices cannot always be predicted, hedged or offset with price increases to eliminate the impact on the Company's overall profitability.

Risk from a potential disruption due to COVID-19 or any other pandemic or event of similar nature

The Company operates globally and can be affected by unprecedented general crises like the Covid-19 pandemic. This pandemic led to a significant downturn in the global economy and substantial curtailment of business activities worldwide. There remains a possibility that this crisis or a similar public health threat, could substantially affect the businesses' financial condition and operations.

Change in regulations and industry trends

The automotive industry is subject to environmental and other regulations, and therefore any adverse impact on the industry in general and the Company's customers, due to any change in such rules, can affect its business. Further, there has been a gradual shift in the industry from pure ICE-dependent vehicles. An acceleration in this trend will have adverse effects on the ICE-dependent business of the Company.

Risk mitigation, internal control systems and their adequacy

The Company believes that effective management of the existing and emerging risks is vital for realising its objectives. The Company has a well-covered risk management framework that works at different levels across the institution. The Company's internal control systems are regularly tested for design, implementation and operating effectiveness. Overall, the Company has a robust risk management framework, that enables it to effectively manage and report on risks.

Outlook

The Financial Year 2021-22 would be remembered for its challenges in the form of supply-side disruptions in the automobile industry. Additionally, the emergence of subsequent waves of the pandemic, with varied intensity and duration across the globe, also impacted the industry.

Various industry reports and experts anticipate the chip shortage issue to improve going ahead. The Company is better equipped to handle the challenges from any subsequent wave of the Covid-19 pandemic.

Over the years, the Company has widened its offerings to focus on the electrification trend sweeping the automotive landscape. The Company has fortified its R&D capabilities and has built an experienced and able team with expertise in its focus areas. It serves large-scale global OEMs and Tier-1 customers and boasts a rich track record of delivering high-quality automotive systems and components for EV and conventional powertrains.

Growth in the EV segment and global market share would be the cornerstones of the Company's growth strategy. Electrification is likely to gain further traction, and projections by renowned industry publications indicate an acceleration in the customer preference for electric vehicles due to multiple factors such as

improved infrastructure, reduced cost of ownership and fiscal incentives over the foreseeable future. The Company remains confident that it is well-positioned to gain from this megatrend.

Overall, the Company is well placed to meet the automotive industry's near-term challenges and continue to generate sustainable long-term value for its stakeholders.

FINANCIAL OVERVIEW

Consolidated Income Statement Summary

Particulars	(INR million)		
	FY22	FY21	YoY (%)
Net Revenue from operations	21,306	15,663	36%
Operating Expenditure	15,715	11,253	40%
EBITDA	5,591	4,410	27%
Other Income	200	23	755%
Finance Cost	183	325	-44%
Depreciation	1,420	969	46%
Adjusted PBT*	4,189	3,139	33%
PBT	4,322	3,000	44%
Tax	706	848	-17%
PAT	3,615	2,152	68%
EPS (Diluted)	6.2	3.8	66%

*Adjusted PBT is PBT plus exceptional expense or minus exceptional income

Revenues from operations

The consolidated revenue in Financial Year 2021-22 grew by 36% over Financial Year 2020-21. The BEV revenue registered a growth of 145%, whereas the non-BEV revenue grew by 20% on a year-on-year basis despite a decline of ~4% in Sona BLW's key markets of Europe and USA.

Expenses

The total expenses registered a year-on-year increase of 38% at INR 17,318 million in Financial Year 2021-22 compared to INR 12,547 million during Financial Year 2020-21.

Expenditure Break-up	(INR million)				
	FY22	% of Total Income	FY21	% of Total Income	YoY change (FY22vs. FY21)
Material Cost*	9,456	44%	6,453	41%	47%
Employee Cost	1,689	8%	1,474	9%	15%
Finance Cost	183	1%	325	2%	(44%)
Depreciation	1,420	7%	969	6%	46%
Other Expenses	4,571	21%	3,325	21%	37%
Total Expenses	17,318	81%	12,547	80%	38%

*Material Cost includes the cost of materials consumed and changes in inventories of finished goods and work-in-progress

Material cost

The cost of materials consumed primarily includes the cost of raw materials, such as special steel alloy bars, iron castings, steel blanks and bolts, for the manufacturing of differential gears, differential assemblies, steel forgings, copper enamelled

Management Discussion and Analysis

wires, machined aluminium pressure die castings, bearings, magnets, plastic moulded components and other proprietary parts for manufacturing starter motors and BLDC motors. Material cost accounted for 44% and 41% of total income for FY 2021-22 and FY 2020-21, respectively. Material cost increased due to the increase in raw material prices and favourable impact of the product mix of sales.

Employee benefit expenses

Employee benefit expenses primarily include salaries, wages, bonus paid to employees and employee welfare expenses. This increased by 15% to INR 1,689 million in FY 2021-22 from INR 1,474 million in FY 2020-21, due to increase in number of employees because of increased scale of operations and annual increments paid to employees during the period.

Finance costs

Finance costs decreased by 44% to INR 183 million in FY 2021-22 from INR 325 million in FY 2020-21. The decrease is primarily due to the repayment of long-term borrowings from IPO proceeds.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 46% to INR 1,420 million in FY 2021-22 from INR 969 million in FY 2020-21. Increase in depreciation was on account of additions in property, plant & equipment, and increase in amortization is due to the full year impact of intangibles under development for BSG and BLDC, capitalised in the fourth quarter of FY 2020-21.

Other expenses

Other expenses primarily comprise manufacturing, administrative, selling and distribution expenses.

Manufacturing expenses mainly consist of expenses in relation to sub-contracting costs, stores and spares consumed, power and fuel, repairs and maintenance towards plant and machinery, and manpower hiring on contract.

Administrative expenses mainly consist of legal and professional charges, travelling, conveyance and vehicle expenses, insurance, repair and maintenance, among others..

Selling and distribution expenses mainly comprise of freight, clearing and forwarding charges and consumption of packing material.

Other expenses remained unchanged at 21% of the total income in FY 2021-22.

Exceptional items

Exceptional Item of INR (133) million during FY 2021-22, represents the recovery of IPO-related expenses incurred by the company until 31st March, 2021, from the selling

shareholder. During FY 2020-21, exceptional item of INR 139 million represents the IPO-related expenses incurred by the Company until 31st March, 2021, which was charged to our profit and loss account.

Tax expense

Our tax expense was lower by INR 142 million at INR 706 million in FY 2021-22 compared to INR 848 million in FY 2020-21. It was because of a certain one-time tax adjustments during Fiscal 2022.

EBITDA, PBT and PAT

EBITDA for FY 2021-22 increased to INR 5,591 million from INR 4,410 million in FY 2020-21 and Adjusted PBT for FY 2021-22 increased to INR 4,189 million from INR 3,139 million in FY 2020-21. PAT for FY 2021-22 increased to INR 3,615 million from INR 2,152 million in FY 2020-21.

The table below reflects the cash and debt position of the company.

(INR million)		
Key Financial Ratios (Standalone)	FY22	FY21
Long-Term Borrowing	438	1,907
Short term borrowing	266	1,740
Total Debt	704	3,647
Cash & Cash equivalent and other bank balances	773	276
Net Debt	(69)	3,371

The Company's total debt stood at INR 704 million as of 31st March, 2022, compared to INR 3,647 million as on 31st March, 2021. The net cash and cash equivalents available with the Company as on 31st March, 2022, were INR 773 million and the net debt amounted to negative INR 69 million.

Key Financial Ratios

The key financial ratios of the company are given as below:

Key Financial Ratios (Standalone)	FY22	FY21
EBITDA margin* (%)	26.2%	28.2%
PAT Margin** (%)	17.0%	13.7%
Net Debt to Equity***	0.00	0.24
Net Debt to EBITDA***	(0.01)	0.76
Return on Equity (%)	36.3%	34.6%
Return on Capital employed (%)	32.4%	36.1%
Working Capital Turnover	3.9	3.9
Current Ratio***	2.5	1.8

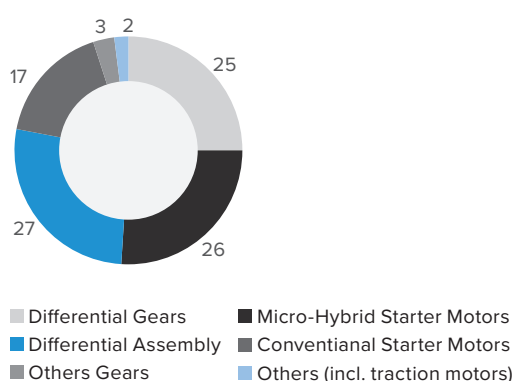
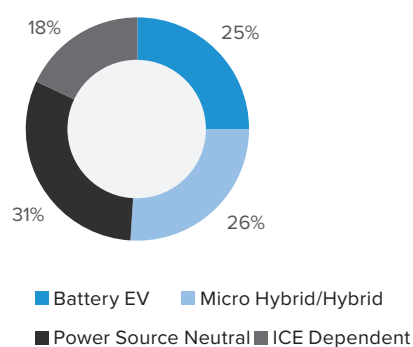
*FY 2021-22 EBITDA margin is 200 bps lower due to net effect of adverse impact of increase in raw material prices, lower forex gain and favourable impacts of the product mix & operating leverage.

1) **FY 2021-22 PAT margin registered an increase of 330 bps on a Y-o-Y basis despite lower EBITDA margin. This is due to lower finance cost because of IPO proceeds and lower tax because of certain one-time tax adjustments.

2) ***Net debt has decreased due to IPO proceeds

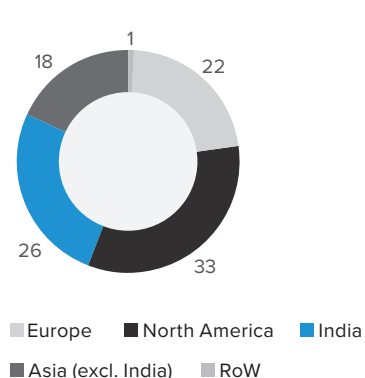
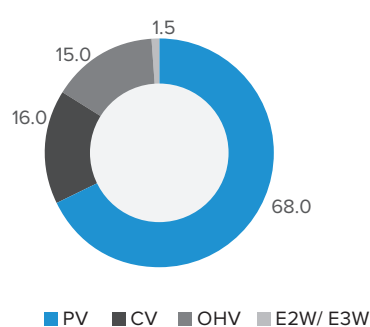
Basis of calculation of the ratios:

- Net Debt to Equity is calculated as Total Debt less Cash and cash equivalents/ Equity
- Net Debt to EBITDA is calculated as Short-term & long-term debt less Cash & bank balances / EBITDA
- ROE (%) is calculated as PAT/ Average tangible net worth
- ROCE (%) is calculated as EBIT/ Average tangible capital employed
- Working Capital Turnover calculated as Revenue/ Average net working capital
- Current Ratio is calculated as Current Asset/ Current Liabilities

SEGMENT - WISE OR PRODUCT - WISE PERFORMANCE**Diversified Presence across Product Categories and Powertrain Segment****Revenue Mix, by Product - FY22****Revenue Mix, by Powertrain - FY22**

With regards to product segments, 25% of FY 2021-22 revenues came from differential gears, 26% from micro-hybrid starter motors, 27% came from differential assembly, and 17% from conventional starter motors.

In terms of powertrain, Battery EV contributed to 25% of FY 2021-22 revenues, micro hybrid/hybrids contributed around 26%, and power source neutral and ICE accounted for 31% and 18%, respectively.

Diversified presence across geographies and automotive segments**Revenue Mix, by Geography - FY22****Revenue Mix, by Vehicle Segment - FY22**

Management Discussion and Analysis

Being a global supplier, 74% of the revenues of Sona Comstar was dependent upon geographies outside India and remaining 26% from India. Key regions for the Company are North America (~33%, Europe (~22 %), India (26%) and Asia , excluding India (18%).

In terms of vehicle segments, Passenger Vehicles (PV) contributed 68% of FY 2021-22 sales, off highway vehicles contributed 15% and Commercial Vehicle (CV) contributed 16%.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company has always believed that the commitment, motivation and skills of its employees are key ingredients for its success. The Company's employees form an important aspect of everything that the organisation does, and their contribution in the Company's journey will always be essential towards achieving organisational goals.

Over the years, the firm has implemented human resource policies, which supports the business in achieving sustainable and responsible growth by creating a conducive work environment for its employees.

The Company is able to attract the best talent due to its inclusive culture and the immense opportunities available for nurturing their talent. It provides utmost importance to its human capital and efficient and comprehensive management of its human resources is a key focus area. The people strategy is aligned with the company's overall ambition to be a pioneering technology leader in the global auto industry.

Apart from building progressive policies, the focus is on creating an inclusive work culture and building a strong talent pipeline. Persistent attention is given towards providing an inclusive environment to promote diversity in gender, age and culture, including opportunities for global mobility, also form a part of the proactive plan to manage talent in key function areas.

Another significant area of focus is to train and create significant learning opportunities for its workforce. Therefore, efforts to develop workforce and build the right capabilities in the organisation is being consistently undertaken by the Company.

It has also undertaken various measures, including implementation of policies for career enhancement to professional levels for operators, industry relations policies to improve employee and employer relationship and hiring of trainees and temporary manpower to meet its requirements.

Additionally, the Company strongly believes that the hard work of its people should be rewarded to further improve motivation and engagement levels of its employees. During the year,, it

undertook necessary initiatives to reward its people with proper recognition for their positive efforts towards their job.

For the Company, these initiatives have helped them to maintain an excellent track record of harmonious industrial relations. The industrial relations of the Company remained cordial and peaceful during the year under review. The total employee strength of the company stood at 3,555 employees, comprising of 1,311 on-roll and 2,244 off-roll employees as on 31st March, 2022.

Awards & Rewards Program

The Company undertakes various initiatives to recognise and reward its employees under various employee related aspects like agility, vitality and frugality and integrity.

During the year gone by, the Company undertook multiple initiatives to recognise employee contributions such as the 'On the Spot Awards', 'Star of the Month', 'Star of the Year', 'Suggestion scheme', 'ROWE Star program'. It believes that such initiatives encourages its employees, but also enables the company to instil a sense of ownership and betterment in the areas of work of their employees.

Employee engagement

The Company believes in actively engaging with its employees to keep them motivated, aligned and to provide an appropriate framework within which would allow them perform as per their potential.

During FY2021-22, the Company actively participated in over 100+ internal and external competitions. Also, a considerable amount of encouragement has been given to internal and external process improvement competitions like Kaizen, Poka-yoke, 5S and TQM, among others.

As an organisation, it values its employee's association with the Company. It recognises employees who have stayed with the Company for a considerable amount of time and rewards for them for their loyalty. The Company believes that a long tenure shows a gesture of trust and goes a long way to positively drive the organisation to achieve its milestones.

The Company also gives utmost importance to keep the work environment engaging by conducting employee engagement programmes every month. Additionally, regular events like Women's Day celebration, birthday celebrations, safety meetings and regular meetings with mid-level leaders, senior Management and CEO.

Learning and development

The Company organises a number of learning and development initiatives for its employees. During FY 2021-22, 116+ training programmes, 85 free online learning courses and other

department-specific training programmes like 'Nachi Robotics', 'Design of High Voltage Electric motors', 'Inverters for EV' and 'HEV Applications' and 'SIX Sigma', among others, were conducted.

Necessary initiatives are consistently undertaken to equip the employees with new resources and learnings by conducting specialised training as well as various tailor-made specialised skill-set programmes. The Company believes that these initiatives would go a long way to assist the Company to have a well-equipped talent pool / pipeline for the future.

The Company gives utmost importance to the safety, health and well-being of its employees. During FY 2022, executive health check-ups and health camps were organised to promote the physical well-being of the employees. Additionally, the HR team undertook initiatives to connect with the employees and their families to support them help them cope with the Covid-induced challenges.

CAUTIONARY STATEMENT

Some of the statements in this management discussion and analysis that describe the company's objectives, projections, estimates, and expectations may contain certain 'forward looking statements' which are within the meaning of applicable laws and regulations. Actual results could differ from those expressed or implied. There are a variety of factors which may cause real events or trends to vary significantly from those reflected or implied by these forward-looking statements and predictions. The company assumes no responsibility to publicly amend, modify or revise any such statements. The company disclaims any obligation to update these forward-looking statements except as may be required by law.

Board's Report

Dear Members,

The Board of Directors have pleasure in presenting their twenty sixth (26th) Annual Report along with the audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended 31st March, 2022.

1. FINANCIAL HIGHLIGHTS & PERFORMANCE

The financial performance of the Company (Standalone and Consolidated) for the Financial Year ended 31st March, 2022 is as under:

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	19,390.49	14,000.44	21,306.40	15,663.00
Other Income	509.98	368.75	200.26	23.41
Total Income	19,900.46	14,369.19	21,506.66	15,686.41
Total expenses	15,865.46	11,316.70	17,317.60	12,547.38
Profit before exceptional items and tax	4,035.01	3,052.49	4,189.05	3,139.02
Less: Exceptional Items	(132.70)	139.06	(132.70)	139.06
Profit before tax	4,167.71	2,913.43	4,321.75	2,999.96
Less Total Tax Expenses	632.32	753.04	706.325	848.31
Profit for the period/year	3,535.38	2,160.39	3,615.43	2,151.65
Other comprehensive (loss)/income for the period/ year	(11.52)	(15.49)	28.70	(12.44)
Total comprehensive income for the period/ year	3,523.86	2,144.90	3,644.13	2,139.21
Earnings per share (Basic) (in INR)	6.08	3.77	6.22	3.76
Earnings per share (Diluted) (in INR)	6.08	3.77	6.21	3.75

Standalone

The standalone revenue from operations increased by 39% to INR 19,390.49 million for Fiscal 2022 from INR 14,000.44 million for Fiscal 2021, due to ramp-up of sales volume for some of the new contracts especially in the EV segment and growth in sales in the Indian passenger vehicle and commercial vehicle markets. Profit before exceptional items and tax in Fiscal 2022 was INR 4,035.01 million as compared to INR 3,052.49 million in Fiscal 2021, reflecting an increase of 32% from the previous year. Profit after tax (PAT) in the Fiscal Year 2022 was INR 3,535.38 million as compared to INR 2,160.39 million in Fiscal 2021, reflecting an increase of 64% from the previous year due to certain one-time tax impact.

Consolidated

The consolidated revenue from operations increased by 36% to INR 21,306.40 million for Fiscal 2022 from INR 15,663.00 million for Fiscal 2021, primarily due to the ramp up of sales volume for some of the new contracts especially in EV segment and growth in sales in the Indian passenger vehicle and commercial vehicle markets. Profit before exceptional items and tax in Fiscal 2022 was INR 4,189.05 million as compared to INR 3,139.02 million in Fiscal 2021, reflecting an increase of 33% from the previous year. Profit after tax (PAT) in the Fiscal Year 2022 was INR 3,615.43 million as compared to INR 2,151.65 million in Fiscal 2021, reflecting an increase of 68% from the previous year due to certain one-time tax impact.

2. PERFORMANCE OF THE COMPANY AND INDUSTRY OVERVIEW

In Fiscal 2022, Your Company continued its growth momentum as it scaled new benchmarks in Revenue and Profitability. Its Consolidated Revenue, EBITDA and Profits (before tax and exceptional items) were INR 21,306.40 million, INR 5,591.01 and INR 3,615.43 million respectively. Growth was led by the strong traction in the EV business which witnessed revenues more than double compared to the prior year. Further, the Motor business also contributed to the EV growth trajectory. This performance was achieved in the backdrop of a challenging operating environment characterised by stop start economic activity due to subsequent waves of COVID-19, high inflation and an all-round rise in operating costs. This was accentuated by the disruption in the global supply chain which constrained availability of inputs, most notably causing a shortage of semi-conductors for the auto industry worldwide.

Encouragingly, it was witnessed that most countries and regions experienced more rapid recovery in economic activity following subsequent waves. Further, the scale-up and success of vaccination Programmes enabled faster resumption by mitigating the severity of subsequent waves. The auto industry responded to the constrained availability in semi-conductors by prioritising production of higher value vehicles and those with newer technologies. As a result, global sales of automobiles have started

to recover due to the pent-up demand, preference for personal mobility and increasing acceptance of newer technologies like EVs and hybrid vehicles.

While the multiple factors such as subsequent waves of the pandemic, disruption in supply chain, constraints to timely availability and transportation of raw materials and the compounding effect on vendors, suppliers and contractors intensified the challenges, your Company did not experience any interruption in the ability to supply systems and components and ensured that customers did not experience any disruption to their product lines. Your Company was able to continue to drive business development and won 43 new programmes during the last three quarters for the Fiscal 2022. As of 31st March, 2022, we have total 30 EV Programmes, out of which 9 EV programmes are under serial production and 21 Programmes will undergo serial production in the Fiscal 2023 or later depending upon customer production schedules.

Your Company undertook active measures to promote health and safety and social distancing efforts and enforced all guidelines and protocols stringently. Another significant area of focus remains to train and create enough learning opportunities for its workforce as well as undertaking initiatives to maintain harmony in the workplace. During the Fiscal 2022, your Company has added to its workforce with focus on augmenting R&D capabilities through significant additions to the R&D team.

During the year under review, your Company commenced construction of its new facility at Chakan (Pune), which will be the tenth facility globally and the seventh in India. Further, your Company has made exciting progress in new product areas including winning its maiden order for an Integrated Motor Controller Module and expanding driveline products portfolio with two new products namely Spool Gear and Epicyclic Geartrain, which find application in the EV drivetrains. The Company also launched its next generation of motors and controllers with high efficiency, torque and power density, including the introduction of its maiden motor T-REF, which is made without use of rare earth elements. Besides these, the Company has also formed three technology partnerships for the development of different technology of motors. These partnerships were 1) with IRP of Israel to co-develop a magnet-less motor for electric two- and three-wheelers, 2) with Enedym Inc., a Canadian company for development of next-generation switched reluctance motors, and 3) with C-Motive, a US based company, for the development of motors based on electrostatic technology.

As per Nomura research reports' data, global light vehicle sales declined by 3% to 79.5 million in the Fiscal 2022 from

82.3 million in the Fiscal 2021, whereas the Company's revenue from operations grew by 36% in the same period.

By 2025, IEA expects global electric vehicle sales to reach ~15 million, accounting for ~15% of global light-vehicle sales by volume. By 2030, IEA expects global electric vehicle sales to cross 27 million, accounting for ~22% of light-vehicle sales.

The outlook for the Fiscal 2023 is one of continued industry recovery, principally in terms of underlying demand. This should be supported with build-back by OEMs gaining speed through the year as supply chain issues related to semiconductors are expected to ease. As per Nomura, the global light vehicle market is expected to grow to around 85.5 million in the calendar year 2022.

3. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report for the Financial Year 2021-22, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms part of this Annual Report.

4. CORPORATE DEVELOPMENTS

Initial Public Offer

Your Company has successfully completed the initial public offering of its equity shares ("**IPO**") which comprised of fresh issue of 10,309,278 equity shares aggregating to INR 3,000 million by the Company ("**Fresh Issue**") and an offer for sale of 180,412,371 equity shares aggregating to INR 52,500 million through book building process.

The net proceeds from the Fresh Issue were fully utilised for the objects as disclosed in the Prospectus, viz; INR 2,411.17 million towards repayment and pre-payment of identified borrowings of the Company and INR 523.13 million towards general corporate purpose and INR 65.70 million towards IPO expenses.

Scheme of Amalgamation of Comstar Automotive Technologies Private Limited with the Company

Your Company has filed a Scheme of Amalgamation (**Scheme**) of Comstar Automotive Technologies Private Limited ("**Comstar**"), a wholly-owned subsidiary with itself before the Hon'ble National Company Law Tribunal, Chandigarh Bench (**NCLT**) on 10th January, 2020. The Scheme was sanctioned by NCLT vide its Order dated 7th January, 2022. The certified true copy of the Order was filed by the Company and Comstar with the Registrar of Companies NCT of Delhi & Haryana on 28th January, 2022. The Scheme has become effective

Directors' Report

from 28th January, 2022 with the appointed date of 5th July, 2019.

5. TRANSFER TO RESERVES

The Board of Directors of the Company do not propose to transfer any amount to reserves.

6. DIVIDEND

The Board of Directors at their meeting held on 5th May, 2022 has recommended the payment of INR 0.77 per equity share of the Company having the face value of INR 10/- each as final dividend for the Financial Year ended 31st March, 2022. The final dividend will be paid to the shareholders who are holding the shares of the Company as on Thursday, 30th June, 2022. The payment of final dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

During the year under review, the Board of Directors of the Company at their meeting held on 1st February, 2022, declared an interim dividend of INR 0.77 per equity share of the Company having face value of INR 10/- each. The interim dividend was paid to the shareholders on 25th February, 2022.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders.

The abovesaid dividend declared is in accordance with the Dividend Distribution Policy of the Company. The Board has adopted the Dividend Distribution policy in its meeting held on 27th January, 2021 in accordance with the provisions of regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The policy can be accessed on the Company's website at <https://sonacomstar.com/policies-and-codes>.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, no amount was required to be transferred to the Investor Education and Protection Fund by the Company.

8. CHANGE IN SHARE CAPITAL OF THE COMPANY

Allotment of equity shares pursuant to initial public offer

During the year under review, your Company has allotted 10,309,278 equity shares at an offer price of INR 291/- each, as part of IPO of the Company. With the said allotment, the paid-up equity share capital has increased to INR 5,832,898,380 consisting of 583,289,838 equity shares of

INR 10/- each from INR 5,729,805,600 consisting of 572,980,560 equity shares of INR 10/- each.

Allotment of Equity Shares under Sona BLW Precision Forgings Limited-Employee Stock Option Scheme -2020

During the year under review, your Company has allotted 1,062,872 equity shares of the Company having face value of INR 10/- each fully paid-up to the eligible employees of the Company upon exercise of the vested options, as granted to them, under the Sona BLW Precision Forgings Limited-Employee Stock Option Scheme-2020 (**"ESOP Scheme-2020"**).

As a result, the paid-up share capital of the Company increased from INR 5,832,898,380 consisting of 583,289,838 equity shares of INR 10/- each to INR 5,843,527,100 consisting of 584,352,710 equity shares of INR 10/- each. The equity shares allotted under the ESOP Scheme-2020 rank *pari-passu* with the existing equity shares of the Company.

The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

The Company has not issued any sweat equity shares to its directors or employees.

Consolidation of Authorised Share Capital due to Merger of Comstar with the Company

During the Financial Year under review, Comstar Automotive Technologies Private Limited, an erstwhile wholly-owned subsidiary, merged with the Company, and pursuant to the Scheme of Amalgamation, the authorised share capital of Company increased from INR 10,000,000,000 to INR 11,500,000,000.

9. CHANGE IN NATURE OF BUSINESS

During Financial Year 2021-22, there was no change in the nature of Company's business.

10. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As at 31st March, 2022, the Company has 4 (four) directly held subsidiaries and 5 (five) step down subsidiaries, the details of which is given in the Annual Return (**Form MGT-7**) of the Company which is available on the website of the Company at <https://sonacomstar.com/investor/annual-reports-and-returns>.

Pursuant to Section 129(3) of the Companies Act, 2013 (**'Act'**), the Company has prepared the Consolidated Financial Statements, which forms part of this Annual Report. Further, a statement containing salient features of Standalone Financial Statements of subsidiaries in Form AOC-1, is attached to the Consolidated Financial

Statements of the Company and therefore not repeated in this report for the sake of brevity.

In accordance with Section 136 of the Act, the audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and audited Financial Statements of each of its subsidiaries, are available on the website of the Company viz. <https://sonacomstar.com/investor/subsidiary-companies-financial-statements>.

Cessation of Comstar Automotive Technologies Private Limited as subsidiary of the Company

Consequent to the merger of Comstar Automotive Technologies Private Limited (**Comstar**), an erstwhile wholly-owned subsidiary with the Company, during the year under review, Comstar ceases to be the wholly-owned subsidiary of the Company and the two subsidiaries of Comstar i.e Comstar Automotive USA LLC and Comstar Automotive Technology Services Private Limited, became the direct subsidiary of the Company.

Save and except as provided herein above, no other company has become or ceased to be subsidiary, joint venture or associate of the Company during the year under review.

Material subsidiaries

As on 31st March, 2022, your Company had one material subsidiary viz. Comstar Automotive USA LLC (**'Comstar USA'**).

Pursuant to Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jeffrey Mark Overly, Independent director of the Company was appointed as Director on the Board of Comstar USA with effect from 16th February, 2021.

However, pursuant to the definition of material subsidiary under Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the income or networth of Comstar USA has fallen below the threshold limit of 10 % of consolidated income or networth of the Company of the Financial Year ending 31st March, 2022. Accordingly, Comstar USA ceases to be the material subsidiary of the Company with effect from 1st April, 2022.

The policy for determining material subsidiaries, as approved by the Board, is uploaded on the Company's website and can be accessed at the web-link: <https://sonacomstar.com/policies-and-codes>

11. CORPORATE GOVERNANCE

The Company is committed to pursue and adhere to the highest standard of Corporate Governance as set out by the Securities and Exchange Board of India (SEBI) and the Companies Act, 2013. The report on the Corporate Governance as stipulated in regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure-A** to this Report.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

Your Board comprises eight Directors, including four Independent Directors (including one woman Independent Director), one Executive Director, and three Non-Executive Directors.

All Directors take active part in the deliberations at the Board and Committee Meetings by providing valuable guidance and expert advice to the Management on various aspects of business, governance, etc. and play a critical role on strategic issues and add value in the decision-making process of the Board of Directors.

Re-appointment of Mr. Vivek Vikram Singh (DIN: 07698495) as the Managing Director & Group CEO

The tenure of Mr. Vivek Vikram Singh (DIN: 07698495) as the Managing Director & Group Chief Executive Officer shall expire on 4th July, 2022. The Board at its meeting held on 9th June, 2022, based on the recommendation of the Nomination and Remuneration Committee ('NRC'), has re-appointed Mr. Vivek Vikram Singh (DIN: 07698495) as Managing Director & Group CEO of the Company with effect from 5th July, 2022, to hold office for a term of 5 consecutive years commencing from 5th July, 2022 to 4th July, 2027 (both days inclusive), and approved the remuneration payable to Mr. Vivek Vikram Singh, subject to approval of the Shareholders of the Company in the ensuing Annual General Meeting.

Re-appointment of Mr. Amit Dixit as Director

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Amit Dixit (DIN: 01798942), Non-Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company and on the

Directors' Report

recommendation of the Nomination and Remuneration Committee, the Board recommends re-appointment of Mr. Amit Dixit (DIN: 01798942) as director liable to retire by rotation.

In the opinion of the Board, all the Directors as well as the Directors proposed to be appointed/re-appointed, possess the requisite qualifications, experience and expertise and hold high standards of integrity.

The list of key skills, expertise and core competencies of all Directors and number of Board and its Committee meetings attending by them is provided in the Corporate Governance Report forming the part of this Board's Report.

None of the Directors of the Company have resigned during the year under review.

Key Managerial Personnel

As on 31st March, 2022 following are the Key Managerial Personnel ('KMP') of the Company as per Section 2(51) and 203 of the Companies Act, 2013:

Name of the KMP	Designation
Mr. Vivek Vikram Singh	Managing Director and Group Chief Executive Officer
Mr. Rohit Nanda	Group Chief Financial Officer
Mr. Ajay Pratap Singh	Vice President (Legal), Company Secretary and Compliance Officer

During the year under review, there were no changes in the KMP of the Company.

13. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors on the Board of the Company have submitted requisite declarations to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Act and regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Independent Directors of the Company have affirmed compliance with the Schedule IV of the Act and Company's Code of Conduct for Directors and Senior Management.

All the Independent Directors of the Company have complied with the requirement pertaining to the inclusion of their names in the data bank of independent directors maintained by Indian Institute of Corporate Affairs and they meet the requirements of proficiency self-assessment test.

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognised and are doyen of the industry. There is an optimum mix of expertise (including financial expertise), leadership and professionalism.

14. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy of the Company formulated in accordance with Section 178 of the Act and regulation 19 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, details on the same are given in the Corporate Governance Report which forms part of this Annual Report.

Further, the Managing Director & Group CEO of the Company is not in receipt of remuneration and commission from holding company or subsidiary company.

The erstwhile holding company (and now a major shareholder) of the Company namely Singapore VII Topco III Pte. Ltd. (**Singapore VII**) has adopted an exit return incentive plan (**ERI Plan**) pursuant to which Singapore VII rewarded/will reward certain identified employees of the Company and/or its subsidiaries (including each of Key Managerial Personnel and Executive Director(s) who are not promoters of the Company) with cash rewards based on certain disposition event(s) in relation to its interest in the Company. These cash awards were paid/ will be paid to such employees entirely by Singapore VII (without any recourse or liability to the Company). None of the promoters, nominee director or shareholder of the Company, having significant influence, is beneficiary of the ERI Plan.

The Board of Directors and Shareholders of the Company have approved the ERI Plan, in its meeting held on 6th August, 2021 and 9th September, 2021 respectively, in compliance with regulation 26(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, Singapore VII paid part of cash reward to the identified employees (including the Managing Director and Group CEO) of the Company.

The Remuneration Policy is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>.

15. DISCLOSURE UNDER RULE 5(1) AND 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (**Rules**) is provided in a separate **Annexure-B** forming part of this Report.

As per second proviso to Section 136(1) of the Act and second proviso of Rule 5 of Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) and 5(3) of Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company or by way of e-mail at investor@sonacomstar.com.

16. BOARD EVALUATION

The Board of Directors of the Company in its meeting held on 1st February, 2022 amended the policy for evaluation of the performance of the board of directors ("Policy") in compliances with the provision of Section 178 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The criteria of evaluation are based on "Guidance note on Performance Evaluation" issued by the Securities and Exchange Board of India on 5th January, 2017.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of all the Directors individually and the Chairperson.

Feedback

Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning and the evaluation was carried out based on responses received from the Directors.

Evaluation of Committees

The performance evaluation of Committees was carried out by the Board after seeking inputs from the committee members, on the basis of the criteria such as structure and composition of Committees, fulfilment of the functions assigned to Committees by the Board and applicable regulatory framework, frequency of meetings, adequacy of time allocated at the Committee Meetings, adequacy and timeliness of the agenda and minutes circulated, effectiveness of the Committee's recommendation to the Board etc.

Evaluation of Directors and Board

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of Individual Directors.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairperson of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors.

The evaluation of directors was based on, *inter-alia*, various criteria such as qualification and experience, fulfilment of functions as assigned, attendance at Board and Committee Meeting, contribution to strategy and other areas impacting Company's performance, availability and attendance etc.

The evaluation of the Board was based on the criteria such as structure and composition of the Board, frequency of meetings, adequacy of time allocated at the Board Meetings, adequacy and timeliness of the agenda and minutes circulated, functions of the Board, governance and compliance etc.

Evaluation for Independent Directors

The performance evaluation of Independent Directors was carried out by the Board of Directors based on various criteria, *inter-alia*, including attendance at Board and committee meetings, qualification, experience, ability to function as a team, commitment, roles performed and understanding of industry.

Results of Evaluation

The outcome of such performance evaluation exercise was discussed at a separate meeting of the Independent Directors held on 23rd March, 2022 and was later tabled at Nomination and Remuneration Committee and the Board of Directors of the Company held on the same day.

The Directors expressed their satisfaction with the evaluation process. During the year under review, the Nomination and Remuneration Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and Individual Directors. The overall performance of the Board as whole, Independent Directors, Non-Executive Directors and Chairman of the Board was positive.

Directors' Report

17. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarised with the operations and functioning of the Company. The details of the training and familiarization program are provided in the Corporate Governance Report.

18. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors of the Company state that:

1. in the preparation of the annual accounts for the Financial Year ended 31st March, 2022, the applicable accounting standards were followed, along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March, 2022 and of the profit and loss for that period;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts for the Financial Year ended 31st March, 2022 have been prepared on a going concern basis;
5. that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

19. EMPLOYEE STOCK OPTION SCHEME-2020

In terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021/ SEBI (Share Based Employee Benefits) Regulations 2014, (to the extent applicable), as amended, from time to time, the Nomination and Remuneration Committee of your Board (also designated as the Compensation Committee) *inter-alia* administers and monitors the Sona BLW Precision Forgings Limited- Employee Stock Option Scheme-2020" ("ESOP Scheme-2020") of your Company.

During the year under review, no fresh grants were made under the ESOP Scheme-2020.

Applicable disclosures as stipulated under the SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") (wherever applicable) with regard to the ESOP Scheme are available on the Company's website at <https://sonacomstar.com/investor/annual-reports-and-returns>.

The Company has received a certificate from M/s. PI & Associates, Secretarial Auditor of the Company as required under Regulation 13 of SEBI SBEB Regulations and confirm that the ESOP Scheme-2020 has been implemented in accordance with these Regulations. The Certificate is available for inspection during the AGM of the Company and also placed at the website of the Company at: <https://sonacomstar.com/investor/annual-reports-and-returns>.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to Section 186 of the Companies Act, 2013, disclosures on particulars relating to loans, advances, guarantees and investment form part of the Standalone Financial Statements in the Annual Report.

21. DEPOSITS

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

22. MATERIAL CHANGES

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

23. RELATED PARTY TRANSACTIONS

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions, formulated and adopted by the Company. An omnibus approval from the Audit Committee is obtained for the related party transactions.

There were no contracts, arrangements or transactions entered into during the year under review that fall under the scope of Section 188(1) of the Companies Act, 2013 except transfer of 15 Nos of AC induction motor to Comstar Automotive Technologies Private Limited (erstwhile wholly-

owned subsidiary of the Company) for a consideration of approximately INR 308,557/- which was not in the ordinary course of business.

As required under the Companies Act, 2013, the prescribed Form AOC-2 is appended as **Annexure-C** to this Report.

The Board has amended the policy on Related Party Transactions as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>.

The Company in terms of regulation 23 of the Listing Regulations submitted disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards to the stock exchanges. The said disclosures can be accessed on the website of the Company at <https://sonacomstar.com/investor/financial-information>.

Related party Transactions are detailed in Note 36 to the Standalone Financial Statements of the Company.

24. MEETINGS OF THE BOARD

During the year under review, nine (9) meetings of the Board were held. The details of the meetings of the Board of Directors during the Financial Year 2021-22 are given in the Corporate Governance Report, which forms the part of this Report.

The Board met quarterly and the gap intervening between two meetings was within the time prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details and attendance of meetings of the board, its committees and the annual general meeting are mentioned in the Corporate Governance Report, which forms part of this Report.

25. COMMITTEES OF THE BOARD

The Board of Directors of the Company have the following committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee;
- Stakeholders Relationship Committee;
- Risk Management Committee;
- Environment, Social Governance Committee;
- Capex Committee.

During the year under review, the Board of Directors constituted a committee called the Environment, Social Governance (**ESG**) Committee to have an oversight over the implementation of ESG Framework of the Company.

The details with respect to the composition, powers, roles, terms of reference, etc. of the aforesaid committees are given in details in the Corporate Governance Report, which forms part of this Report.

During the year under review, all recommendations made by the committees were accepted by the Board.

26. DOWNSTREAM INVESTMENT

During the Financial Year 2021-22, the Company has not made any downstream investment which tantamount to indirect foreign investment. Hence, the requirement of obtaining certificate from the statutory auditors under the extant Foreign Exchange Management (Non-debt Instruments) Rules, 2019 is not applicable.

27. AUDITORS AND AUDIT REPORT

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. PI & Associates, Practicing Company Secretaries, as Secretarial Auditors to undertake the audit of the secretarial records for the Financial Year 2021-22.

The Secretarial Auditors' Report for the Financial Year 2021-22 does not contain any qualification, reservation or adverse remark and enclosed as **Annexure-D** to this report.

Further, the Board of Directors in their meeting held on Thursday, 5th May, 2022 re-appointed M/s. PI & Associates, Company Secretaries, as Secretarial Auditors, to undertake the audit of the secretarial records for the Financial Year 2022-23.

Statutory Auditors

M/s. Walker Chandiok & Co., Chartered Accountants (FRN No. 001076N) was appointed as statutory auditors for a period of 5 (Five) years in the 21st annual general meeting held on 28th September, 2017 till the conclusion of ensuring 26th Annual General Meeting.

M/s. Walker Chandiok & Co., Chartered Accountants (FRN No. 001076N) are eligible to be re-appointed for another term of 5 (five) years in terms of the provisions of Section 139 and 141 of the Act.

Accordingly, the Board of Directors of the Company at their meeting held on 9th June, 2022, on the recommendation

Directors' Report

of the Audit Committee and subject to the approval of the shareholders of the Company in the ensuing AGM, have approved the re-appointment of M/s. Walker Chandok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors, for a second term of 5 consecutive years i.e., from the conclusion of the 26th AGM till the conclusion of 31st AGM of the Company.

The Statutory Auditors' Report on standalone and consolidated financials for Financial Year 2021-22, does not contain any qualification, reservation or adverse remark or disclaimer and the same forms part of this Annual Report.

Cost Auditors

Consequent to the merger of Comstar with the Company, the Company is required to maintain cost records for certain products of Motor business, for Financial Year 2022-23 as specified by the Central Government under sub- Section (1) of Section 148 of the Act.

The Board of Directors of the Company at its meeting held on Thursday, 5th May, 2022, on the recommendations made by the Audit Committee, have appointed M/s. Jayaram & Associates, as Cost Auditors of the Company to conduct the audit of cost records of certain products for the Financial Year 2022-23.

M/s. Jayaram & Associates, being eligible, have consented to act as the Cost Auditors of the Company for the Financial Year 2022-23.

Internal Auditors

The Board of Directors have in their meeting held on 09th June, 2022, appointed M/s. BDO India LLP (Firm Registration No. MCA: AAB-7880), as Internal Auditors of the Company for the Financial Year 2022-23.

28. INTERNAL CONTROL SYSTEM

The Company has in place internal control system, which is commensurate with its size, scale and complexities of its operations M/s. BDO India LLP (Firm Registration No. MCA: AAB-7880), was appointed as Internal Auditor of the Company for the Financial Year 2022-23.

The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board of Directors are periodically apprised of the internal audit findings

and corrective actions are taken accordingly. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. For more details, refer to the 'internal control systems and its adequacy' section in Management's Discussion and Analysis Report, which forms part of this Annual Report.

29. REPORTING OF FRAUD

During the year under review, none of auditors have reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee, under Section 143 (12) of the Companies Act, 2013.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The total CSR Obligations of the Company, including the CSR obligations of the erstwhile wholly owned subsidiary of the Company; i.e. Comstar Automotive Technologies Private Limited ("**Comstar**"), which was merged with the Company w.e.f January 28, 2022, for the Financial year 2022 was INR 55.10 million. Out of which, the Company had spent INR 40.11 million, during the Financial Year ended 31st March, 2022 and the remaining unspent amount of INR 15 million for the Financial Year 2021-22, which pertains to ongoing projects was transferred to the Unspent CSR Account of the Company on 26th April, 2022.

The CSR Committee has been entrusted with the prime responsibility of recommending to the Board, the CSR activities to be undertaken by the Company in terms of CSR Policy, the amount of expenditure to be incurred and monitoring the implementation of the framework of the CSR Policy.

The Annual Report on CSR activities having a brief overview of the projects undertaken, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been annexed as **Annexure-E** of this Report.

The Board of Directors of the Company amended the CSR Policy of the Company pursuant to amendments in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Section 135 of the Act. The CSR Policy of the Company is available on the website of the Company at <https://sonacomstar.com/investor/corporate-social-responsibilities>.

31. AWARDS AND RECOGNITIONS

We are happy to inform that your Company has received the following recognitions/awards during the period under review:

S. No.	Award Category	Awarded by
1.	2020 Vision Award	League of American Communications Professionals LLC (LACP)
2.	Best Supplier of the Year Award - 2021	Indian Tier 1 Supplier for CVs
3.	Overall Performance Award	Indian OEM of PVs
4.	Export Excellence Award 2019-20 - Highest Investment in Engineering Sector	MEPZ
5.	Export Excellence Award 2018-19 - Highest Employment in Engineering Sector	MEPZ
6.	VC Circle Awards 2022 in the category, "Industrial Company of the Year"	VC Circle
7.	Best in Class Quality and Delivery Performance – Financial Year19	Global OEM of OHVs

32. RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has formulated and adopted a Risk Management policy. The primary objectives of the policy include identification and categorisation of potential risks, their assessment and mitigation and to monitor these risks.

The Board has entrusted the Risk Management Committee (**RMC**) with overseeing the processes of identification, evaluation and mitigation of risks. The RMC *inter alia* periodically reviews the organisational risks that are spread across operational, financial, technological and environmental spheres and shall provide guidance to the management team. Further, the RMC in its meeting held on 23rd March, 2022 appointed Mr. Rohit Nanda, Chief financial officer of the Company as the Chief Risk Officer of the Company.

Your Company is committed to protect the interests of its customers, stakeholders, investors, shareholders, employees and each person or entity with whom it is associated. Towards this goal, your Company will further strengthen the internal processes and evaluate even more innovative ways to blunt the risk impact. The details of the RMC along with its charter are set out in the Corporate Governance Report, forming part of this Report.

33. VIGIL MECHANISM

Your Company is committed to highest standards of professionalism, honesty, integrity, transparency and ethical behaviour. Pursuant to the provisions of Section 177(9) & (10) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on vigil mechanism/whistle blower which

provides mechanism to its directors, employees and other stakeholders to raise concerns about any wrongdoing in the Company and provide for adequate safeguards against victimisation of employees and other persons who avail this mechanism.

The mechanism under the policy has been appropriately communicated within the organisation. The Audit Committee of the Board shall review the functioning and implementation of the Whistle-blower mechanism, on quarterly basis.

During the year under review, the Company has not received any complaints under the said mechanism. The whistle blower policy of the Company has been displayed on the Company's website at the link: <https://sonacomstar.com/policies-and-codes>.

34. ANNUAL RETURN

In accordance with the provisions of Companies Act, 2013, the Annual Return of the Company in the prescribed format is available at: <https://sonacomstar.com/investor/annual-reports-and-returns>.

35. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

36. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS

No significant and material order has been passed by any regulator or court or tribunal, which might impact the going concern status and Company's operations in future.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in the **Annexure-F** forming part of this Report.

38. HUMAN RESOURCES

The Company is committed to living the Sona values in the true spirit by integrating them with the people practices delivering superior quality to our employees, customer, and shareholders. Our Company considers the employees as its true partner in success.

Directors' Report

Our world is in motion fighting climate change at a pace that is gathering speed. The Company undertakes various employee engagement Programmes and fosters a culture of learning and continuous improvement so that we give our customers, business partners, employees, executives, and shareholders an idea of the path that we want to pursue over the next few years.

The year under review, has been one of the toughest years due to COVID-19 2nd wave, that we have ever faced. Very few events in human history have had such a profound impact on the way we operate.

Despite the volatility through the first quarter of Financial Year 2021-22, we showed great resilience, quickly adapted to the new ways of working, and delivered the customer demands. Our focus remained high on three important areas: Employee Safety & Wellness, Effective Communication & Managing teams, and staying committed to the customer demand.

This year we strengthen our focus on Company processes and systems. We inducted bright talent from Tier – I institutes like BITS Pilani and NIFT at the entry level in Engineering and Manufacturing. We uplifted the infrastructure and enhanced the employee experience by introducing a professionally managed cafeteria service to cater healthy and hygienic food.

To achieve the Company's goals, we cascaded organisation goals (Managing Points) to KPIs till the last mile. We initiated the Quality visit to strengthen our processes for continuous improvement and for the immediate action plan. We introduced technical skill-based online training Programmes, and Future Skill Prime by covering 36% of the staff and man-days.

39. POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WORKMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment Act"), The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace ("**POSH**") for prevention, prohibition and redressal of sexual harassment at workplace and an Internal Complaints Committees has also been set up to redress any such complaints received.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

The Company periodically conducts sessions for employees across the organisation to build awareness about the POSH policy and to sensitise the employees of the existing POSH framework.

During the year under review, no complaints have been received by the Company under the POSH.

40. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In terms of the provision of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company voluntarily submit the Business Responsibility & Sustainability Report ("**BRSR**") for the Financial Year 2021-22 in place of the Business Responsibility Report. The BRSR is attached to this report as **Annexure-K**.

41. CAUTIONARY STATEMENT

The Annual Report including those which relate to the Directors' Report, Management Discussion and Analysis Report may contain certain statements on the Company's intent, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company bears no obligations to update any such forward looking statement. Some of the factors that could affect the Company's performance could be the demand and supply for Company's product and services, changes in Government regulations, tax laws, forex volatility etc.

42. ACKNOWLEDGEMENT

The Board of Directors acknowledges and places on record their sincere appreciation to all stakeholders, customers, vendors, banks, Central and State Governments, and all other business partners, for their continued co-operation and for the excellent support received from them.

The Board also wishes to place on record its appreciation to the esteemed investors for showing their confidence and faith in the management of the Company.

Your Directors recognise and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to promote its development.

By order of Board of Directors
For **Sona BLW Precision Forgings Limited**

Place: Gurgaon
Date: 9th June, 2022

Sunjay Kapur
(Chairman)

Corporate Governance Report

Annexure-A

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Sona BLW Precision Forgings Limited ("Sona Comstar/ Company") is committed not only to implement best corporate governance but also keep improving by benchmarking with the best governance practices and upholding the highest business standards in conducting business. Being a value-driven organisation, the Company keep endeavouring towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, management and employees. The Company has established systems and procedures to ensure that its Board of Directors are well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term stakeholders value. The Company's value creation is based on equitable, inclusive, transparent and collaborative stakeholder practices. The Company promotes a safe, healthy and happy workplace for its employees. The Company's initiatives towards improving its Environmental, Social and Governance (**ESG**) performance and its contribution towards Sustainable Development Goals is placed in the Business Responsibility and Sustainable Report (**BRSR**) annexed to the Annual Report.

This report provides the additional information relevant and useful for stakeholders of the Company.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Regulations**") is given herein below.

ETHICS / GOVERNANCE POLICIES

Code of Conduct for Board, Senior Management and Employees

The Code of Conduct (**Code**) for Board, Senior Management and Employees encompass Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association. The Code impresses upon the Board and Senior Management to uphold the interest of the Company and its stakeholders and to endeavour to fulfil its fiduciary obligations. The Code set forth guidance and principals for the Board of Directors and Senior Management Personnel to manage the affairs in the fair and transparent manner. The Code is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>.

A declaration signed by the Managing Director and Group Chief Executive Officer stating that the members of Board of

Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management is annexed as **Annexure-G**.

Beyond the regulatory landscape, the Company has also implemented a Code of Conduct for its Employees to set certain standards of conduct for all employees and officers of the Company. The Company has also implemented a Code of Conduct for its vendor/supplier to share the same value, ethical practices and code of conduct. The Code is designed to deter wrongdoings and promote, amongst others (a) honest and ethical conduct, including ethical handling of actual or potential conflicts of interest; (b) full, fair, timely and accurate disclosure in reports and documents; (c) compliance with applicable laws, rules and regulations; (d) prompt internal reporting of the violations of the Code; and (e) accountability for adherence to the Code of Conduct.

Code of Conduct for Prevention of Insider Trading

The Company do understand the menace of insider trading and is fully committed to protect the interest of its investors. The Company intensively focus on training and awareness sessions for its designated employees to prevent the insider trading.

In terms of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (**PIT Regulations**), the Company has adopted the "Code of Conduct for prevention of insider trading" to regulate, monitor and report trading by designated persons and Insiders. The objective of the Code is to put a framework for prohibition of Insider Trading, to create awareness and provide guidance to the insiders, promoters, directors and designated persons, intermediaries and fiduciaries for trading in securities of the Company. The Company has also formulated a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**UPSI**")" in compliance with the PIT Regulations. Those Codes are posted on the Company's website and can be accessed at: <https://sonacomstar.com/policies-and-codes>.

During the Financial Year 2021-22, the Company has conducted various training, awareness sessions and programmes for designated persons to familiarise them with the compliances and the responsibilities required to be carried out under the PIT Regulations and the Code. Frequent communications via e-mails, flyers are being made to the designated persons informing them about Trading Window Closure, Do's and Dont's under the Code, flashes on regulatory sanctions on breaches under the PIT Regulations of other listed companies from selective publicly available data, to drive the awareness campaign for its designated persons about compliances to mitigate the risks of non- compliances.

The Company also do recognise its responsibility in ensuring compliance with PIT Regulations by intermediaries and fiduciaries and take the necessary action to prohibit the insider trading.

Corporate Governance Report

The Continued focus on training and awareness programmes has ensured better compliance with the Code of Conduct and PIT Regulations.

Board of Directors

The composition of the Board is in accordance with Regulation 17(1) of the Listing Regulations and Section 149 of the Companies Act, 2013, with an optimal mix of Executive and Non-Executive Directors.

As on 31st March, 2022, the Board of the Company comprises of eight directors, of which four are Independent Directors (including one woman Independent Director), one is Executive Director, and three are Non-Executive Directors.

The Directors of the Company are doyens of the industry with diverse skill sets and industry specific expertise. The Company has ensured that the role of the Chairman and Managing Director of the Company are separate, and both not related with each other, as part of its governance drive.

All directors take active part in the deliberations at the Board and Committee Meetings by providing valuable guidance and expert advice to the Management on various aspects of business, governance, etc. and play a critical role on strategic issues and add value in the decision-making process of the Board of Directors.

Profile of each Director of the Company is available at <https://sonacomstar.com/board-of-directors>. Further, none of the director are related to other directors or any of the Key Managerial Personnel of the Company and the number of Directorships/ Committee memberships held by Executive and Non-Executive

Independent Directors are within the permissible limits under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The tenure of Mr. Vivek Vikram Singh as the Managing Director & Group CEO shall expire on 4th July, 2022. The Board at its meeting held on 9th June, 2022 based on the recommendation of the Nomination and Remuneration Committee has re-appointed Mr. Vivek Vikram Singh (DIN: 07698495) as Managing Director & Group CEO, with effect from 5th July, 2022, to hold office for a term of 5 (five) consecutive years commencing from 5th July, 2022 to 4th July, 2027 (both days inclusive), subject to approval of the shareholders in the ensuing Annual General Meeting of the Company.

Number of Board Meetings, Attendance of the Directors at Meetings of the Board and at the last Annual General Meeting

During the Financial Year under review, the Board of Directors met nine (9) times to discuss and deliberate on various matters. The meetings were held on 27th April, 2021, 3rd June, 2021, 17th June, 2021, 17th July, 2021, 6th August, 2021, 27th October, 2021, 14th December, 2021, 1st February, 2022 and 23rd March, 2022. The Board met quarterly and the gap intervening between two meetings was within the time prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Board, Committee positions held by the directors as chairperson and member and directorship in other listed entities including category of directorship, attendance at the Board Meetings during the year under review and the Annual General Meeting, are given herein below:

Name of the director	Category of directorship	Number of board meeting attended (Total 9 board meeting held)	Attendance at the AGM held on 9 th September, 2021	Number of Directorship#		Committee Positions #		Name of the listed entities	
				Public	Private	Chairman	Member	In which he/she is a Director	Category of Directorship
Mr. Sunjay Kapur (DIN: 00145529)	Promoter, Chairman Non-Executive Director	9	Yes	5	4	-	-	Jindal Steel & Power Limited	Independent Director
Mr. Amit Dixit (DIN: 01798942)	Non-Executive Director	8	Yes	6	2	-	1	Mphasis Limited EPL Limited	Non-Executive-Director Non-Executive-Director
Mr. Ganesh Mani (DIN: 08385423)	Non-Executive Director	9	Yes	2	3	-	2	-	-
Mr. Subbu Venkata Rama Behara (B.V.R. Subbu) (DIN: 00289721)	Non-Executive Independent Director	8	Yes	4	8	2	1	KPIT Technologies Limited MTAR Technologies Limited	Non-Executive Independent Director Non-Executive Independent Director, Chairperson

Name of the director	Category of directorship	Number of board meeting attended (Total 9 board meeting held)	Attendance at the AGM held on 9 th September, 2021	Number of Directorship#		Committee Positions #		Name of the listed entities	
				Public	Private	Chairman	Member	In which he/she is a Director	Category of Directorship
Mrs. Shradha Suri (DIN: 00176902)	Non-Executive Independent Director	8	Yes	8	4	2	1	Asahi India Glass Limited Subros Limited	Non-Executive Independent Director Chairperson and Managing Director
Mr. Prasan Abhaykumar Firodia (DIN: 00029664)	Non-Executive Independent Director	3	Yes	3	2	1	2	Force Motors Limited	Managing Director
Mr. Jeffrey Mark Overly (DIN: 09041143)	Non-Executive Independent Director	9	Yes	1	-	-	2	-	-
Mr. Vivek Vikram Singh* (DIN: 07698495)	Managing Director and Group CEO	9	Yes	1	-	-	1	-	-

*Re-appointed by the Board of Directors in its meeting held on 9th June, 2022 w.e.f. 5th July, 2022 and is subject to approval of shareholders in the ensuing Annual General Meeting of the Company.

#For the purpose of considering the number of directorship, limit of Committee membership and chairmanship of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies, including that of your Company, has been considered.

INDEPENDENT DIRECTORS

All Independent Directors played a pivotal role in maintaining a transparent working environment in the Company. They provide valuable perspective to the deliberations of the Board and contribute significantly to the decision-making process. They help the Company in improving corporate governance standards. They bring an element of objectivity to the Board processes and deliberations.

As per Regulation 25(8) of the Listing Regulations and Section 149(6) of the Companies Act, 2013 and the rules framed thereunder, all Independent Directors confirmed that they meet the independence criteria as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. The Independent Directors have stated that they are not aware of any circumstance or situation, which exists or may reasonably be anticipated, that could impair or impact their ability to discharge their duties with an objective, independent judgement and without any external influence.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 and the Listing Regulations.

In terms of clause VII of the schedule IV to the Companies Act, 2013 read with regulation 25(3) of Listing Regulations, a separate meeting of Independent Directors of the Company, without the attendance of non-independent directors, for the Financial Year 2021-22 was held on 23rd March, 2022. Independent Directors in their meeting reviewed and evaluated the performance of the

Non-Independent Directors, Board as a whole and Chairman of the Company after taking views of executive and non-executive Directors of the Company and assessed the quality, quantity and timeliness of flow of information's between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors of the Company complies with the criteria's pertaining to the maximum number of directorship as per regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DETAILS OF EQUITY SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2022

As on 31st March, 2022, none of the Non-Executive Directors of the Company except as stated below was holding any equity shares or convertible instruments in the Company.

S. No.	Name of Directors	No. of Equity Shares	No. of Convertible Instruments
1.	Mrs. Shradha Suri (Non-Executive Independent Director)	145	NA

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Board familiarization program consists of detailed induction for all new independent directors when they join the Board of Directors of the Company and ongoing sessions on business strategy, operational and functional matters.

Corporate Governance Report

The exhaustive induction for Independent Directors enables them to be familiarised with the Company, its history, values and purpose. The Managing Director and Group CEO also makes presentations in every quarterly meetings of the Board of Directors, in order to facilitate clear understanding of the business of the Company and the environment in which the Company operates.

In Board meetings, discussions on business strategy, operational and functional matters provide good insights on the businesses carried on by the Company to the Independent Directors. These sessions also involve interactions with Senior Management. To make these sessions more productive, all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole are provided in advance. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company. The Company also arranges for their visits to the Company's Plants to enable them to get first-hand understanding of the processes.

The details of such familiarization programmes for independent directors are put up on the website of the Company and can be accessed through the following link:

<https://sonacomstar.com/policies-and-codes>.

Chart/Matrix of setting out the Skills/ Experiences/Competencies of the Board of Directors

The Board has identified the following skills/ expertise/ competencies with reference to its business and industry that are fundamental for the effective functioning of the Company:

S. No.	Skill Areas
1.	Strategic Thinking, Planning and Management
2.	Entrepreneurial and Leadership skills
3.	Marketing and Branding
4.	Accounting, Legal and Financial Management expertise
5.	Global Exposure
6.	Automobile Industry Experience
7.	Board Service and Governance
8.	Regulatory Compliance and Stakeholder Management

The directors so appointed are from diverse backgrounds and possess special skills with regard to the industries/fields from where they come.

Name of Directors	Strategic Thinking, Planning and Management	Entrepreneurial and Leadership skills	Marketing and Branding	Accounting, Legal and Financial Management expertise	Global Exposure	Automobile Industry Experience	Board Service and Governance	Regulatory Compliance and Stakeholder Management
Mr. Sunjay Kapur	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vivek Vikram Singh	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Dixit	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ganesh Mani	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Prasan Abhaykumar Firodia	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Subbu Venkata Rama Behara (B.V.R. Subbu)	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Shradha Suri	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jeffrey Mark Overly	✓	✓	✓	✓	✓	✓	✓	✓

RESIGNATION OF INDEPENDENT DIRECTORS

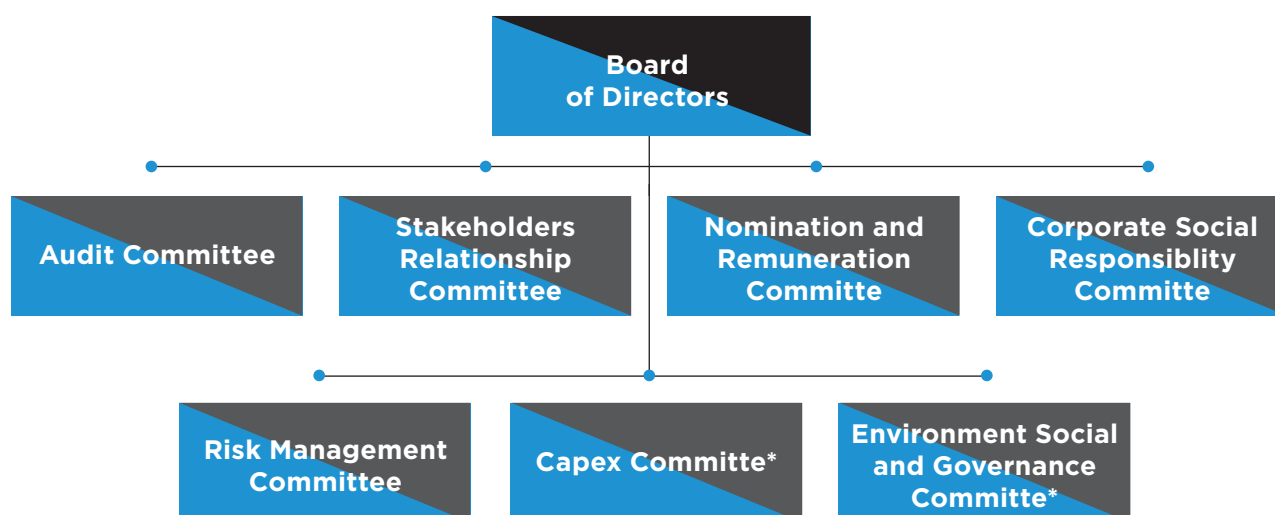
During the year under review, none of the Independent Directors of the Company has resigned.

BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulations.

Board has constituted the following five statutory committee's viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee and Risk Management Committee to carry out clearly defined roles which are considered to be performed by the members of the Board, as a part of good governance practice. In addition, the Board also has two non-statutory committees namely, Environment, Social and Governance (ESG) Committee and Capex Committee. The ESG Committee is responsible for implementation of Environment,

Social and Governance framework across all operations in India. The term of reference of the committees of the Board has been defined by the Board and their relevance is reviewed from time to time. Mr. Ajay Pratap Singh, Company Secretary of the Company acts as Secretary to these committees of the Board. The Chairperson of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the committee meetings were sent to all the members of the committee, which are noted by the respective committee and Board in their next meeting.



*Voluntary Committee

1. AUDIT COMMITTEE

The Audit Committee comprises of four non-executive directors, three of whom, including Chairperson of the Committee, are independent directors. The composition and role of the Audit Committee is as per the requirement of Section 177 of the Companies Act, 2013 and rules made thereunder and the Listing Regulations. The members of the Audit Committee are financially literate and have relevant experience in financial management. The Audit Committee is also governed by its charter to

ensure effective compliance. The Charter is reviewed from time to time to maintain conformity with the regulatory framework.

As required under the Secretarial Standards issued by the Institute of Company Secretaries of India, the Chairperson of the Committee or, in his absence, any other member of the Committee authorised by him on his behalf shall attend the Annual General Meeting of the Company.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021-22 is detailed below:

Name of Directors	Nature of Membership	Audit Committee Meetings						
		27 th April, 2021	17 th July, 2021	6 th August, 2021	27 th October, 2021	14 th December, 2021	1 st February, 2022	23 rd March, 2022
Mr. Subbu Venkata Rama Behara	Chairperson	-	✓	✓	✓	✓	✓	✓
Mr. Prasan Abhaykumar Firodia	Member	✓	-	-	-	-	✓	-
Mr. Jeffrey Mark Overly	Member	✓	✓	✓	✓	✓	✓	✓
Mr. Ganesh Mani	Member	✓	✓	✓	✓	✓	✓	✓

Mr. Ajay Pratap Singh, Company Secretary of the Company act as Secretary of the Committee.

Corporate Governance Report

The Audit Committee has the following Terms of Reference:

The scope and functions of Audit Committee are in accordance with Section 177 of the Companies Act and the Listing Regulations, as amended, from time to time, which are set forth below:

- Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - Recommending to our Board the appointment, remuneration and terms of appointment of auditors of our Company;
 - Approving payment to statutory auditors for any other services rendered by the statutory auditors;
 - Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-Section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report.
 - Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
 - Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency
- monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
 - Approval of all related party transactions and subsequent modifications (including material modifications) thereto;
 - Scrutinising of inter-corporate loans and investments;
 - Valuation of undertakings or assets of our Company, wherever it is necessary;
 - Evaluating internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - Discussing with internal auditors of any significant findings and follow up thereon;
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our board;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - Reviewing the functioning of the whistle blower mechanism/vigil mechanism to report genuine concerns or grievances;
 - Approving the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

- Carrying out any other function as is mentioned in the terms of reference of the audit committee and any other terms of reference as may be decided by the Board and/or specified /provided under the Companies Act, the Listing Regulation or by any other Regulatory Authority;
- Reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a Financial Year and verify that the systems for internal control are adequate and operating effectively;
- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- To define material modification in the Related Party Transactions;
- To recommend amendment to the Policy on Related Party Transactions, if so required to ensure compliance with the new regulatory requirements.
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- Examination of the Financial Statements and the Auditors' report thereon;
- Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Listing Regulations.
 - annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of SEBI Listing Regulations.
- The details of Related Party Transactions entered pursuant to omnibus approval given, at least on quarterly basis;
- Financial Statement, in particular, the investment made by unlisted subsidiary.

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

- To investigate any activity within its terms of Reference;
- To seek information from any employee;
- To obtain outside legal and other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Reviewing powers

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and

2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) comprises of six non-executive directors, of whom four members including the Chairperson of the Committee are independent directors. The Board of Directors of the Company has re-constituted NRC in its meeting held on 27th October, 2021 in accordance with the amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per Section 178(7) of the Act and Secretarial Standards issued by the Institute of Company Secretaries of India, the Chairperson of the Committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the General Meeting of the Company.

The composition and role of the NRC is as per the requirement of Section 178 of the Companies Act, 2013 and rules made thereunder and the Listing Regulations. The composition of the NRC of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021-22 is detailed below:

Corporate Governance Report

Name of Directors	Nature of Membership	Nomination and Remuneration Committee Meetings			
		27 th July, 2021	26 th October, 2021	1 st February, 2022	23 rd March, 2022
Mr. Jeffrey Mark Overly	Chairperson	✓	✓	✓	✓
Mr. Subbu Venkata Rama Behara	Member	✓	✓	✓	✓
Mr. Amit Dixit	Member	✓	✓	✓	✓
Mr. Sunjay Kapur	Member	✓	✓	✓	✓
Mr. Prasan Abhaykumar Firodia*	Member	N.A	N.A	✓	-
Mrs. Shradha Suri*	Member	N.A	N.A	-	✓

*Appointed as member of the NRC w.e.f. 27th October, 2021

Mr. Ajay Pratap Singh, Company Secretary of the Company act as Secretary of the Committee.

The NRC Committee has the following Terms of Reference:

The scope and functions of the NRC are in accordance with Section 178 of Companies Act, 2013 and the Listing Regulations, as amended, from time to time, which are set forth below:

- Formulating the Criteria for determining qualifications, positive attribute and independence of a director and recommending to our Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;
- Identifying a person who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the board their appointment and removal and specify the manner of effective evaluation of the performance of our Board, its committees and individual directors to be carried out either by our Board, its Committees and individual directors to be carried either by our Board, by the Nomination and Remuneration Committee or by an independent external agency and reviews its implementation and compliance;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
 - Use the services of an external agencies, if required;
 - Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - Consider the time commitments of the candidates.
- Formulating criteria for evaluation of performance of the independent directors and the Board;
- Devising a policy on Board Diversity;
- Determining whether to extend or to continue the term of appointment of independent director, on the basis of report of performance evaluation of independent directors;
- Recommend to our Board, all remuneration, in whatever form, payable to senior management;
- Performing such other activities as may be delegated by the Board and/or specified /provided under the Companies Act, the SEBI Listing Regulations, and any applicable law or by any other regulatory authority.

Performance Evaluation

In terms of the requirement of the Companies Act, 2013 and the SEBI Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and its Committees.

The Board of Directors based on the recommendation of Nomination and Remuneration Committee in its meeting held on 1st February, 2022 amended the policy for evaluation of the performance of the Board of Directors of the Company and revised the criteria for evaluation of Board, Committees of Board, individual directors (executive and non-executive directors) and Chairman of the Board.

The criteria of evaluation are based on "Guidance note on Performance Evaluation" issued by the SEBI on 5th January, 2017. In accordance with the evaluation criteria specified in the policy, the Nomination and Remuneration Committee and the Board have carried out the annual performance evaluation of the Board as a whole, its committees and individual directors. The Independent Directors at their separate meeting held on 23rd March, 2022 reviewed the performance of non-independent directors, the board

as a whole and Chairman of the Company after taking into account the views of executive and non-executive directors, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Evaluation of the Board was based on criteria such as composition and structure of the Board, meetings of the Board, functions of the Board, succession planning, etc.

Evaluation of committees was based on criteria such as composition and working procedures of the committee, effectiveness of the committee, independence of the committee from the Board, contribution to the decisions of the Board etc.

Evaluation of the directors was based on criteria such as qualification and experience, knowledge and competency, attendance at the meetings etc.

The evaluation process involved a questionnaire-based approach followed by one on one discussions with all Board members by the Chairman of the Nomination and Remuneration Committee. The Board evaluation process was completed for the Financial Year 2021-22.

The summary of the evaluation was presented to the Nomination and Remuneration Committee and the Board of Directors of the Company.

The feedback and results of the questionnaire were collated, and consolidated report was shared with the Board for improvements to its effectiveness. The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee comprises of four non-executive directors, of whom two members including the Chairperson of the Committee are independent directors. The composition and role of the Corporate Social Responsibility Committee is as per the requirement of Section 135 of the Companies Act, 2013 and rules made thereunder. The composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021-22 is detailed below:

Name of Directors	Nature of Membership	CSR Committee Meetings			
		27 th April, 2021	3 rd June, 2021	27 th July, 2021	23 rd March, 2022
Mr. Prasan Abhaykumar Firodia	Chairperson	✓	✓	✓	-
Mrs. Shradha Suri	Member	✓	✓	-	✓
Mr. Sunjay Kapur	Member	✓	✓	✓	✓
Mr. Ganesh Mani	Member	✓	✓	✓	✓

Mr. Ajay Pratap Singh, Company Secretary of the Company act as Secretary of the Committee.

The CSR Committee has the following Terms of Reference:

- Formulate and recommend to the Board the CSR Policy of the Company and any amendment thereto, from time to time, indicating the activities to be undertaken by the Company in area or subject, as specified in schedule VII of the Companies Act, 2013.
- Review and recommend the amount of expenditure to be incurred by the Company on the various CSR activities.
- Formulate and recommend the annual CSR action plan to the Board, and recommend alteration to the approved annual CSR action plan to the Board.
- Ensure compliance of all the obligations cast upon it under the CSR Policy of the Company and the annual CSR action plan approved by the Board.
- Monitor the adherence by the Company with the CSR Policy, from time to time.
- Ensure that the Company is taking appropriate measures to undertake CSR activities as mentioned in the CSR Policy.
- The CSR Committee shall have access to any internal information necessary to fulfill its oversight role.
- Perform other activities related to this Charter as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

Corporate Governance Report

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SRC) comprises of two non-executive directors and one executive director, of whom two members including the Chairperson of the Committee are independent directors. The Board of Directors of the Company in its meeting held on 27th October, 2021 has re-constituted the SRC. The composition and role of the SRC is as per the requirement

of Section 178 of the Companies Act, 2013 and rules made thereunder and the Listing Regulations.

As per Section 178(7) of the Act and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Chairperson of the Committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the General Meeting of the Company.

The composition along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021-22 is as below:

Name of Directors	Nature of Membership	SRC Meetings		
		27 th July, 2021	26 th October, 2021	1 st February, 2022
Mr. Prasan Abhaykumar Firodia#	Chairperson	✓	✓	✓
Mrs. Shradha Suri*	Chairperson	-	✓	N.A
Mr. Jeffrey Mark Overly	Member	✓	✓	✓
Mr. Vivek Vikram Singh	Member	✓	✓	✓

Mr. Prasan Abhaykumar Firodia was appointed as Chairperson of the Committee w.e.f. 27th October, 2021.

* Mrs. Shradha Suri ceased to be Chairperson and members of the Committee w.e.f. 27th October, 2021.

Mr. Ajay Pratap Singh, Company Secretary and Compliance Officer of the Company act as Secretary of the Committee.

The SRC Committee has the following Terms of Reference:

- Consider and resolve grievances of security holders of our Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrant/annual reports/statutory notices by the shareholders of our Company;
- To authorise affixation of Common seal of our Company, if any;
- Ensure proper and timely attendance and redressal of investor queries and grievances;

- Carrying out any other functions contained in the Companies Act and/or equity listing agreements (if applicable), as and when amended from time to time; and
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent.

Details of Shareholders'/Investors' complaints:

During the Financial Year ended 31st March, 2022, 656 complaints were received from shareholders, all of which have been attended/resolved to the satisfaction of the Shareholders. Most of these complaints related to the public issue and pertains to the credit of equity shares and unblocked the amount. These complaints were duly resolved by the Company in co-ordination with its RTA and merchant bankers to the issue.

As of date, there are no complaints/ pending share transfers pertaining to the year under review. Details relating to the number of complaints received and redressed during the Financial Year 2021-22 and as on 31st March, 2022 are as under:

No. of Investor/Shareholders complaints pending at the beginning of the Financial Year 2021-22	No. of Investor/Shareholders complaints received during the Financial Year 2021-22	No. of Investor complaints not solved to the satisfaction of shareholders during the Financial Year 2021-22	No. of Investor complaints pending at the end of the Financial Year 2021-22
Nil	656	Nil	Nil

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee (**RMC**) comprises of three non-executive directors and one executive director, of whom one member including the Chairperson of the Committee is independent director. The composition and role of the Risk Management Committee is as per the

requirement of the Listing Regulations. The composition of the Risk Management Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021-22 is detailed below:

Name of Directors	Nature of Membership	RMC Meetings		
		27 th July, 2021	4 th October, 2021	23 rd March, 2022
Mr. Jeffrey Mark Overly	Chairperson	✓	✓	✓
Mr. Ganesh Mani	Member	✓	✓	✓
Mr. Sunjay Kapur	Member	✓	✓	✓
Mr. Vivek Vikram Singh	Member	✓	✓	✓

The Risk Management Committee has the following Terms of Reference:

- Formulate a detailed risk management policy which shall include:
 - i. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined;
 - ii. measures for risk mitigation including systems and processes for internal control of identified risks;
 - iii. Business continuity plan:
 - Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;
 - Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
 - Seek information from any employee, obtain outside legal or other professional advice and
- secure attendance of outsiders with relevant expertise, if it considers necessary;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions.

6. ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE

The Board of Directors of the Company in its meeting held on 6th August, 2021 has constituted an Environment, Social and Governance Committee for implementation of Environment, Social and Governance framework across all operations in India. The Environment, Social and Governance (**ESG**) Committee comprises of two non-executive directors and one executive director.

The composition of the ESG Committee is detailed below:

Name of Directors	Nature of Membership
Mr. Sunjay Kapur	Chairperson
Mr. Ganesh Mani	Member
Mr. Vivek Vikram Singh	Member

7. CAPEX COMMITTEE

The Capex Committee comprises of three non-executive directors. The role of Capex Committee is to evaluate and recommend to the Board new capex proposals and to approve capex upto a certain authorised limit over and above the annual budget of the Company, as approved by the Board. The Committee also monitors the cash outflow granularly in an effective manner.

The composition of the Capex Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021-22 is detailed below:

Name of Directors	Nature of Membership	Capex Committee Meetings		
		27 th April, 2021	12 th July, 2021	23 rd March, 2022
Mr. Sunjay Kapur	Chairperson	✓	✓	✓
Mr. Ganesh Mani	Member	✓	✓	✓
Mr. Jeffrey mark Overly	Member	✓	✓	✓

Corporate Governance Report

REMUNERATION PAID TO DIRECTORS

1. Remuneration paid to Managing Director and Group Chief Executive Officer for the financial year ended 31st March, 2022

Remuneration of the Managing Director and Group Chief Executive Officer is recommended by NRC, which is subsequently approved by the Board and Shareholders of the Company.

The table below gives the remuneration paid to the Managing Director and Group Chief Executive Officer during the year ended 31st March, 2022:

(INR in millions)					
Director	Salary	Variable Pay	Perquisites	Details of stock options exercised [#]	Total
Vivek Vikram Singh	21.01	8.71	1.13	114.41	145.26

[#] Mr. Vivek Vikram Singh has been granted 662,088 Options under Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company, as approved by the shareholders in their extra ordinary general meeting held on 30th September, 2020. Mr. Singh has exercised 220,696 Options during the year under review, the perquisite value of which is INR 114.41 million. There was no increase in his remuneration during the year under review except the annual increment as per the Company's Policy.

The total remuneration including perquisite value stock options arising due to the exercise of Options by Mr. Singh during the year under review, is within the limit approved by the shareholders in the annual general meeting held on 9th September, 2021 read with the shareholder's approval dated 5th July, 2019.

2. Remuneration paid to the Non-Executive Directors for the Financial Year ended 31st March, 2022

(INR in million)			
Directors	Sitting fees	Commission*	Total
Sunjay Kapur	-	24.00	24.00
Prasan Abhay Kumar Firodia	0.45	-	0.45
Amit Dixit	-	-	-
Ganesh Mani	-	-	-
B.V.R. Subbu	1.82	3.20	5.02 [#]
Mrs. Shradha Suri	0.63	-	0.63
Mr. Jeffrey Mark Overly	1.36	6.16	7.52

*Commission paid to the non-executive directors of the Company is within the overall limit approved by the Shareholders of the Company in their Annual General Meeting held on 9th September, 2021.

[#]Remuneration to Mr. B.V.R Subbu includes INR 4 million from Comstar Automotive Technology Private Limited, an erstwhile wholly-owned subsidiary of Company, comprising INR 0.80 million towards sitting fees and INR 3.2 million towards commission.

Further INR 0.60 million towards sitting fees was paid to Mrs. Dipti Mehta (erstwhile director of Comstar) from Comstar during Financial Year 2021-22.

The Company understands that it is important to remunerate independent directors well to get optimum benefit of their wisdom, experience and expertise for the benefit of all the stakeholders of the Company. Keeping this in mind, the Board of Directors of the Company in its meeting held on 1st February, 2022 revised the sitting fees payable to the Non-Executive Independent Directors of the Company for attending Board and its Committee meetings with effect from 1st January, 2022. The Non-Executive Independent Directors of the Company are entitled to the sitting fees of a) INR

100,000 for attending each meeting of the Board and Audit Committee; (b) INR 50,000 for attending each meeting of other Committees of the Board of the Company.

During the year under review, the Company did not grant any loans to any of its directors. Further, except as stated above, there are no pecuniary relationships or transactions between the Independent Directors and the Company, other than the sitting fees and commission paid to the non-executive and independent directors. Further, the criteria for making payment to non-executive directors has been disclosed on the website of the Company at <https://sonacomstar.com/policies-and-codes>.

Further, no notice period and severance fee are payable to Directors of the Company as on 31st March, 2022. The Company has not granted any stock option to its Non-Executive Directors.

GENERAL BODY MEETINGS

Details of Annual General Meeting held during last three years and Special Resolution passed thereunder are detailed below:

Year	Location	Date & Time	Whether any Special Resolutions Passed	Special Resolution Passed in the AGM By Shareholders
2019	Sona Enclave, Village Begumpur Khatola, Sector 35, Gurgaon-122004	30 th day of November, 2019 at 05:00 p.m. (IST)	Yes	To consider and approve the alteration in the Articles of Association
2020	Sona Enclave, Village Begumpur Khatola, Sector 35, Gurgaon-122004	31 st day of December, 2020 at 11:00 a.m. (IST)	Yes	<ol style="list-style-type: none"> 1. To increase borrowing powers of the board and authorization limit to secure the borrowings under Section 180(1)(c) of the Companies, Act, 2013 2. To increase the limit to create security /charge on the assets of the Company pursuant to Section 180(1) (a) of the Companies Act, 2013.
2021	Video Conferencing/ other audio-visual means	9 th September, 2021 at 12:00 noon (IST)	Yes	<ol style="list-style-type: none"> 1. To approve the payment of remuneration to Mr. Sunjay Kapur (DIN: 00145529), Non-Executive Director and Chairman of the Company for the Financial Year 2021-22. 2. To approve the payment of remuneration or compensation to Non-Executive Directors (including Independent Directors) of the Company. 3. To approve the payment of remuneration to Mr. Vivek Vikram Singh (DIN 07698495), Managing Director and Group CEO of the Company.

No Special Resolution was passed through Postal Ballot during Financial Year 2021-22. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advice the Board in conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings and to carry out such other functions as may be prescribed in different Acts, Rules and Regulations He interfaces between the management and regulatory authorities on governance matters.

CEO & CFO CERTIFICATION

The Managing Director & Group CEO and the Group Chief Financial Officer of the Company are required to provide a compliance certificate to the board of directors in terms of Regulation 17(8) of SEBI Listing Regulations, copy of which was placed before the board of directors in their meeting held on 5th May, 2022 and is annexed as **Annexure-H** of this Report

MEANS OF COMMUNICATION

The Company recognises the importance of communication with Shareholders and promptly discloses information on material corporate developments and other events as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of our Company's corporate governance framework.

Corporate Governance Report

Financials Results	Quarterly, half-yearly and annual financial results are published in 'Business Standard' in English language (all editions) and in Hindi language (Delhi edition). Further, the Company as a good corporate governance practice has started sending the financial results of every quarter to the shareholders of the Company, whose email id are registered with the Company/RTA.
Website	<p>The Company's website www.sonacomstar.com contains a dedicated segment called 'Investors' where all information needed by members is available including AGM notices, annual report, financials information's, Company's announcements to stock exchanges, investors FAQ, shareholder's satisfaction survey, Board Meetings details, contact details of officers etc.</p> <p>The website, <i>inter-alia</i>, also displays information regarding schedule of analysts or institutional investors meet, presentation made to media/ analysts/ institutional investors, transcript & recording of Earnings Calls, press releases, stock information, shareholding patterns, quarterly corporate governance reports, details of unclaimed dividend, etc.</p>
News Releases	All official news releases are sent to stock exchanges as well as displayed on the Company's website at www.sonacomstar.com .
BSE Listing Centre & NEAPS (NSE Electronic Application Processing System)	All disclosures and communications to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through BSE Listing Centre and NEAPS.
Annual Report and AGM Notices	In our endeavour to protect the environment, the Company sent the annual report and AGM notices for the Financial Year 2020- 2021 through e-mails to those members who had registered their e-mail ids with either depository participant (DP) or the Registrar & Transfer Agent (RTA) or the Company. This also helped the Company in saving a significant cost towards printing and dispatch.
Exclusive e-mail id's for investors	Following e-mail ids have been exclusively dedicated for the investors' queries: investor@sonacomstar.com and einward.ris@kfintech.com .
FAQs for the Shareholders	The Investor Relations page of the Company's website provides Frequently Asked Questions on various topics related to transfers, transmissions and transportation of shares, dematerialisation/rematerialisation, nomination, change of address, loss of share certificates. In addition, various downloadable forms required to be executed by the Shareholders have also been provided on the website of the Company viz. https://sonacomstar.com/investor-relations .
Shareholders Satisfaction Survey	The Company has voluntarily placed shareholders survey page on their website to facilitate the engagement of Shareholders and is an endeavour to improve shareholders services which can be assessed at https://sonacomstar.com/shareholders-survey , shareholders can submit their feedback. The Company's Officials based on the feedback received from the shareholders, contact them and try to resolve all their queries in the best possible way.

GENERAL SHAREHOLDER'S INFORMATION

1. Date, time and venue of the Annual General Meeting	Thursday, 14 th July, 2022 at 12:00 Noon (IST) through video conferencing (VC) / other audio-visual means (OAVM).
2. Financial Year	Financial year of the Company is from 1 st April, 2021 to 31 st March, 2022.
3. Dividend payment	<p>The Board of Directors in its meeting held on 1st February, 2022 had declared an interim dividend of INR 0.77 per equity share of the Company having face value of INR 10 each to those shareholders whose names appeared in the register of members / beneficial owners on 14th February, 2022 and the dividend was paid on 25th February, 2022 directly to their bank accounts wherever the particulars were available and the Demand Draft were dispatched to those shareholders, whose bank details were not available with the Company/RTA of the Company.</p> <p>The Board of Directors at their meeting held on 5th May, 2022 has recommended payment of INR 0.77 per Equity Share of the Company having face value of INR 10 each as final dividend for the Financial Year ended 31st March, 2022 to the shareholders of the Company. The final dividend will be paid to those shareholders whose names appear in the register of members / beneficial owners on Thursday, 30th June, 2022. The payment of final dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.</p>
4. Listing of Equity Shares at Stock Exchanges and Payment of Listing Fees	<p>The Equity Shares of the Company were listed on the following exchanges w.e.f. 24th June, 2021:</p> <ol style="list-style-type: none"> 1. BSE Limited (BSE) Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001 2. National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 <p>Further, The Company has paid the Annual listing fees to both above mentioned Stock Exchanges for FY 2022-23.</p>
5. Stock Code/Symbol	<p>BSE Scrip Code: 543300 NSE Symbol: SONACOMS ISIN: INE073K01018</p>

6. MARKET PRICE DATA- HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

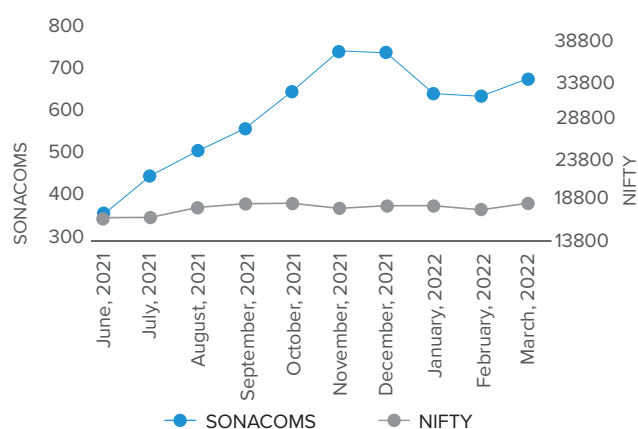
The equity shares of the Company has been listed on the BSE Limited and National Stock Exchanges of India Limited on 24th June, 2021 and below table provide the monthly high and low prices of the Company's equity shares on BSE and NSE for the Financial Year 2021-2022.

Month	BSE		NSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
June, 2021	414.45	295.15	413.90	295.00
July, 2021	456.50	333.15	456.90	333.25
August, 2021	559.65	408.00	559.40	408.00
September, 2021	610.00	491.00	610.00	491.00
October, 2021	813.25	549.35	813.00	549.20
November, 2021	775.00	635.00	775.00	635.65
December, 2021	839.15	680.15	839.90	680.15
January, 2022	795.00	600.00	794.80	600.00
February, 2022	699.10	581.90	699.50	568.55
March, 2022	706.75	553.70	706.60	553.00

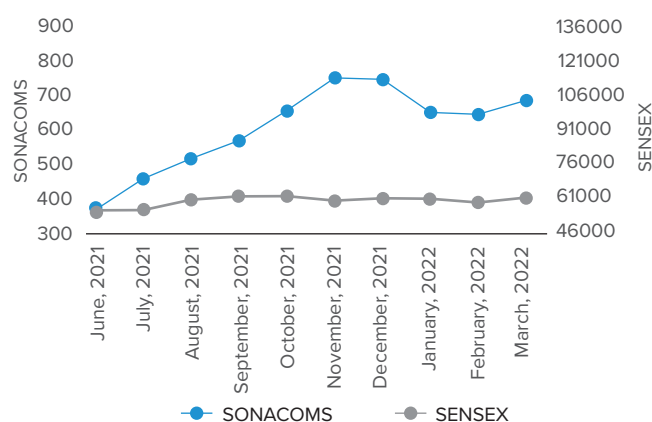
7. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The chart below shows the comparison of the Company's monthly share price movement vis-à-vis the movement of the NSE Nifty and BSE Sensex for the Financial Year ended 31st March, 2022 (based on the month end closing):

SONACOMS and NIFTY



SONACOMS and SENSEX



8. IN CASE THE SECURITIES OF THE COMPANY ARE SUSPENDED FROM TRADING, THE REASONS THEREOF

Not Applicable

9. REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited
 Selenium, Tower-B, Plot No. 31 & 32,
 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032
 Tel: 040-2342 0818, 6716 2222
 Fax: 040-2342 0814, 2300 1153
 E-mail: einward.ris@kfintech.com
 Website: www.kfintech.com

Corporate Governance Report

10. SHARE TRANSFER SYSTEM

As mandated by SEBI, securities of listed companies can only be transferred in dematerialised form. The shares can be transferred by shareholders only through their Depository Participant.

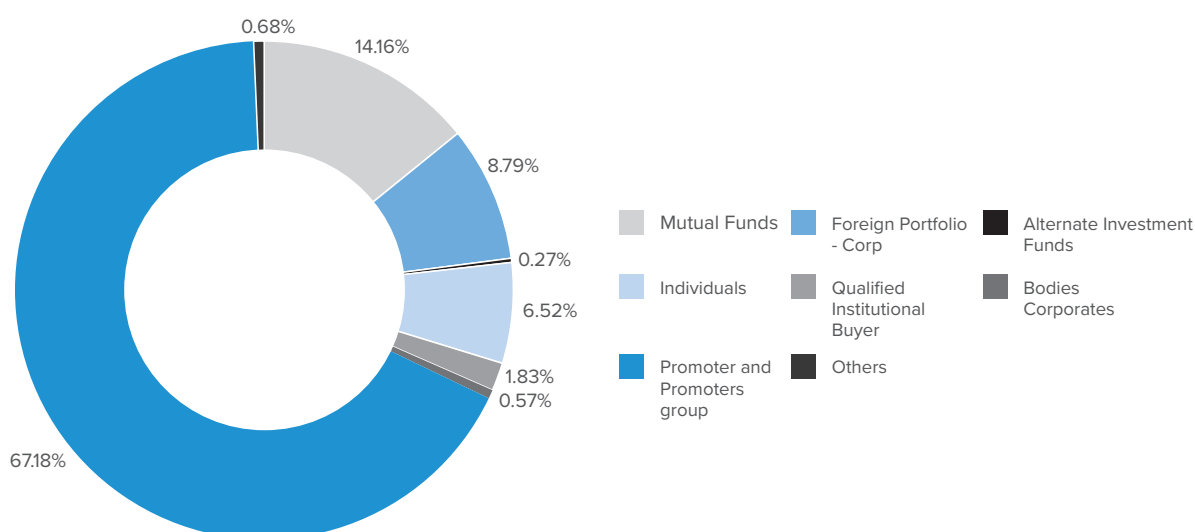
11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2022

Range on number of shares held	No. of Shareholders	Shareholding	% of Shareholding
1 - 5,000	3,83,466	2,25,50,948	3.86
5,001 - 10,000	7,152	51,08,598	0.87
10,001 - 20,000	2,823	39,93,394	0.68
20,001 - 30,000	689	16,94,409	0.30
30,001 - 40,000	316	11,11,873	0.19
40,001 - 50,000	199	9,05,684	0.15
50,001 - 1,00,000	362	25,07,972	0.43
1,00,001 - 2,00,000	149	20,77,962	0.36
2,00,001 and above	211	54,44,01,870	93.16
TOTAL:	3,95,367	58,43,52,710	100

CATEGORY OF SHAREHOLDERS AS ON 31ST MARCH, 2022

S.No.	Shareholders Category	No. of Shareholders	Shareholding	% of Shareholding
1	Mutual Funds	18	8,27,28,230	14.16
2	Foreign Portfolio Investors	129	5,13,69,371	8.79
3	Alternate Investment Funds	7	15,81,602	0.27
4	Individuals	3,89,154	3,89,40,449	6.52
5	Qualified Institutional Buyer	9	1,06,69,127	1.83
6	Body Corporates	1,115	33,30,359	0.57
7	Promoter and Promoters group	6	39,25,69,052	67.18
8	Others	4,929	31,64,520	0.68
	Total	3,95,367	58,43,52,710	100

Shareholding as on 31st March, 2022



12. DEMATERIALISATION OF SHARES AND LIQUIDITY

As on 31st March, 2022, all the equity share of the Company is in demat form except for two equity shares which are in physical form. The promoter and promoter group of the Company hold all equity shares in dematerialised form.

Lock in details of the equity share capital of the Company as on 31st March, 2022 are as follows:

S.No.	Name of Shareholders	Category	No. of equity shares	Lock-in Release Date
1.	Singapore VII Topco III Pte. Ltd.	Promoter	19,93,59,141	21.06.2022
2.	Sona Autocomp Holding Private Limited	Promoter	11,66,57,968	21.06.2024
3.	Sona Autocomp Holding Private Limited	Promoter	7,65,50,936	21.06.2022
4.	Rani Kapur – RK Family Trust	Promoter Group	72	21.06.2022
5.	Mr. Sharad Kapur	Public	12	21.06.2022
6.	Mr. Kiran Manohar Deshmukh	Public	12	21.06.2022
7.	Mr. Ranganathan Balaji	Public	12	21.06.2022
8.	Mr. Munish Sapra	Public	12	21.06.2022
9.	Mr. Inder Khurana	Public	24	21.06.2022
Total			39,25,68,189	

13. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS CONVERSION DATE AND LIKELY IMPACT ON EQUITY

Not Applicable

14. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

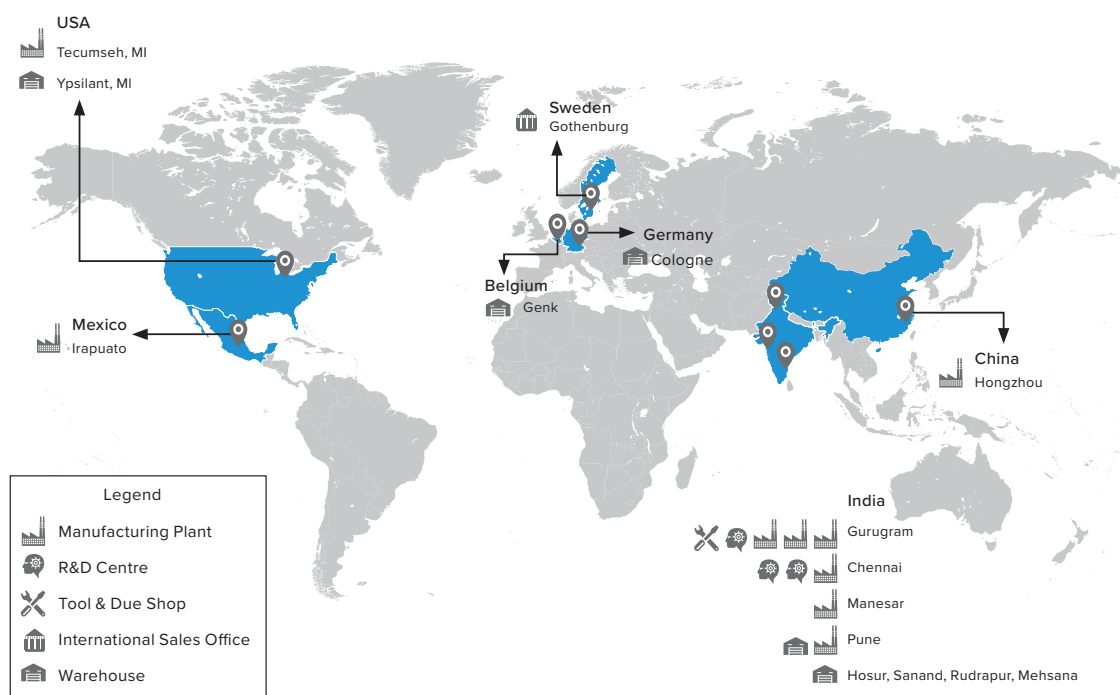
Your Company operate internationally and a large portion of the business is transacted mainly in USA and consequently we are exposed to foreign exchange risk through our sales and services in the USA, Europe, China and other countries across the world, and purchases from overseas suppliers in various foreign currencies.

The Company employ financial instruments, primarily forward contracts to hedge certain of our foreign currency exchange risks relating to our business.

15. PLANT LOCATIONS

Your Company along with its subsidiaries has nine manufacturing and assembly plants across India, China, Mexico and USA, of which six are located in India.

Your Company's manufacturing facilities (manufacturing and assembly plant) are located at Gurgaon, Manesar, Pune, Chennai, Hangzhou, Mexico, Tecumseh. The following map shows the locations of our manufacturing and assembly plants, R&D centers, warehouses, tool and die shop and sales office as at 31st March, 2022.



Note: Map not to scale

Corporate Governance Report

Detailed address of each of the Plant of the Company and its subsidiaries:

Gurgaon Plants

Unit I, II and III

Sona Enclave, Village Begumpur Khatola Sector 35, P.O. - 90 Gurgaon (Haryana) - 122 004, INDIA +91 124 476 8200 +91 124 410 4639

Manesar Plant

Plot No. 13, Sector 2, IMT Manesar Gurgaon (Haryana) – 122 051, INDIA

Pune Plant

T-46, MIDC Bhosari Industrial Area Pune - 411 026, INDIA

Chennai Plant

Keelakaranai Village, Malrosapuram Post Maraimalai Nagar Chengalpattu – 603 204 Tamilnadu, INDIA +91 44 7147 3700 +91 44 7147 3737

USA

Comstar Automotive LLC USA
900 Industrial Drive, Tecumseh, MI – 49286, USA

Mexico

Comestel Automotive Technologies Mexicana, S.DE R.L. DE C.V.

Logistica Integral del Bajío Bodega 1 and 3 of Irapuato No. 204, corner with Salamanca Fraccionamiento Ciudad Industrial C.P. 36541, Irapuato, Guanajuato, MEXICO

China

Comstar Automotive (Hangzhou) Co., Ltd.
No. 557-1, Gaotang Road,
Guali Xiaoshan, Hangzhou
PRC, 311243 CHINA

16. ADDRESS FOR CORRESPONDENCE

Shareholders may correspond with the Registrar and Transfer Agents at:

Kfin Technologies Limited
Selenium, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032
Tel: 040-2342 0818, 6716 2222
Fax: 040-2342 0814, 2300 1153
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Toll Free No.: 1800 3454 001

Your Company has also designated investor@sonacomstar.com as an exclusive e-mail ID for Investors for the purpose of registering complaints and the same has been displayed on the Company's website.

For all investor related matters, the Company Secretary & Compliance Officer can also be contacted at:

Sona Enclave Village, Begumpur Khatola, Sector 35, Gurgaon, Haryana – 122004, India
Telephone: +91 0124 476 8200;

Contact Person: Ajay Pratap Singh, Vice President (Legal), Company Secretary and Compliance Officer
E-mail: investor@sonacomstar.com

Further, your Company has appointed Mr. Amit Mishra as Head Investor Relations of the Company to address the grievances of Institutional Investor(s) and he can be contacted at;

Mr. Amit Mishra
Sona BLW Precision Forgings Limited
Sona Enclave Village, Begumpur Khatola, Sector 35, Gurgaon, Haryana – 122004, India
E-mail: amit.mishra@sonacomstar.com
Telephone: +91 0124 476 8200

Your Company can also be visited at its website: www.sonacomstar.com

17. LIST OF ALL CREDIT RATINGS OBTAINED BY THE COMPANY ALONG WITH ANY REVISIONS THERETO, FOR ALL DEBT INSTRUMENTS OF THE COMPANY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE COMPANY INVOLVING MOBILISATION OF FUNDS, WHETHER IN INDIA OR ABROAD

During the Financial Year 2021-22, the Company does not have any debt instruments or any Fixed Deposit Programme or any scheme or the proposal of the Company involving mobilisation of funds in India or in abroad.

During the Financial Year 2021-22 the India Ratings and Research has upgraded the Company's long-term issuer rating to 'IND AA' from 'INDAA-' and the Outlook is stable. The credit rating of the Company can be accessed at <https://sonacomstar.com/investor/credit-rating>.

18. OTHER DISCLOSURES

Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

The Company does not have any materially significant related party transactions, which may have potential conflict with the interest of the Company at large. Further, the statutory disclosure requirements relating to related party transactions have been complied in the Financial Statements.

The policy on dealing with related party transactions is disclosed on the Company's website at <https://sonacomstar.com/policies-and-codes>.

Separate post of Chairman and CEO

Your Company has separated the post of Chairman and CEO. Mr. Sunjay Kapur is the Non-Executive Chairman of the Company and Mr. Vivek Vikram Singh is the Managing Director and Group CEO of the Company.

Details of Non-Compliance

No penalties or strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to the capital market, during the last three years.

Our Company has complied with all the requirements of regulatory authorities.

Vigil Mechanism/Whistle-Blower Policy

The Company has in place Vigil Mechanism/Whistle Blower Policy. During the year, no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy of the Company is available on the website of the Company and can be access at <https://sonacomstar.com/policies-and-codes>.

The details about the vigil mechanism form part of the Board's Report.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

All the mandatory requirements have been duly complied with and certain discretionary disclosure requirements were undertaken.

Disclosure of policy on Material Subsidiaries

The policy for determining material subsidiaries is available on the Company's website at <https://sonacomstar.com/policies-and-codes>

Disclosure of commodity price risk and commodity hedging activities

Major commodities used in the manufacturing processes of the company include steel, copper and aluminium. Most of our customer contracts have a benchmark price passthrough arrangement for steel and steel alloys in case of differential gears and differential assemblies and copper in case of starter motors. Aluminium price passthrough is also available in some of the customer contracts. For the remaining contracts of starter motors, the company has exposure to fluctuation in prices of steel and aluminium for which the company does not undertake any hedging contracts.

Details of utilisation of funds of Preferential Allotment/QIP

The Company has not raised funds through Preferential Allotment/QIP during the year under review.

Certificate from Company Secretary in practice regarding non-debarment and non-disqualification of Directors

A certificate from PI & Associates, Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority, is attached as **Annexure-I** to this report.

Acceptance of recommendation of Board Committees

During the Financial Year 2021-22, there was no recommendation of any committee of the Board of the Company which is mandatorily required and not accepted by the Board of the Company.

Fees paid to Statutory Auditors

The details of fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which statutory auditors are part of, are given below:

S. No.	Name of the Entity	Relationship with the Company	Details of Services	Amount (INR in million)
1.	Sona BLW Precision Forgings Limited*	Company	Statutory Audit & Certification Fees	12.91
2.	Sona BLW Precision Forgings Limited	Company	IPO Related Payments	4.51
3.	Comstar Automotive Technology Services Private Limited	Subsidiary	Statutory Audit & Compliance Services Fees	0.20
4.	Sona Comstar eDrive Private Limited	Subsidiary	Statutory Audit & Certification Fees	0.05
5.	Comstar Automotive USA LLC	Subsidiary	Audit Fee, Inventory Observation & Income Tax Returns Fees	0.95
6.	Comstar Automotive Hongkong Limited	Subsidiary	Statutory Audit Fees	0.30
7.	Comestel Automotive Technologies Mexicana	Subsidiary	Statutory Audit Fees	0.59

Corporate Governance Report

S. No.	Name of the Entity	Relationship with the Company	Details of Services	Amount (INR in million)
8.	Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	Subsidiary	Statutory Audit Fees	0.63
9.	Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V;	Subsidiary	Statutory Audit Fees	0.67
10.	Comstar Automotive (Hangzhou) Co. Ltd	Subsidiary	Statutory Audit Fees	2.15
Total				22.96

* Include fees paid by Comstar Automotive Technology Private Limited ("**Comstar**"), an erstwhile wholly-owned subsidiary of Company.

Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place a policy on Prevention of Sexual Harassment at the workplace. For further details in this regard, please refer to the Board's Report forming part of this annual report.

Details of Complaints received and redressed during the Financial Year 2021-22:

- Number of complaints received during the Financial Year: None
- Number of complaints disposed of during the Financial Year: None
- Number of complaints pending as on end of the Financial Year: None

Disclosure of Loans and advances by the Company and its subsidiaries to the firms/companies in which directors are interested by name and amount

During the Financial Year 2021-22, there was no loans/advances provided by the Company and its subsidiaries to the firms/companies in which directors of the Company or its subsidiaries are interested.

Non-compliance of any requirement of corporate governance report with reasons thereof

All the requirements of Corporate Governance Report of sub paragraphs (2) to (10) Para C of Schedule V of Listing Regulations have been duly complied with.

Adoption of discretionary requirements as specified in part E of schedule II have been adopted

The Company has complied with the requirement of para A & D of part E of Schedule II to SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 .The Company has separate post of Chairperson and Managing Director. The Chairman is not related to the Managing Director as per the definition of the term "relative" defined under the Companies Act, 2013. Mr. Sunjay Kapur, Non-Executive Director of the Company is holding the position of the Chairperson.

Compliance certificate from M/s. PI & Associates, practicing Company Secretaries regarding compliance of conditions of corporate governance is annexed as Annexure-J

Disclosures with respect to demat suspense account/unclaimed suspense account

As on 31st March, 2022, no equity share of the Company was in the demat suspense account/unclaimed suspense account of the Company.

Details of Unclaimed Dividend

The Board of Director of the Company in its meeting held on 1st February, 2022, declared an interim dividend of INR 0.77 per equity share of the Company for the Financial Year 2021-22. Detail of Unclaimed Interim Dividend is available on the website of the Company at: <https://sonacomstar.com/unclaimed-dividend>.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by Institute of Chartered Accountants of India. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts. Business risk evaluation and management is an ongoing process within the Organisation. The Company has adequate systems of internal control to ensure reliability of financial and operational information and compliance with all statutory /regulatory compliances.

Annexure-B

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

I. THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY AND THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR 2021-22:

S. No. KMPs	Name of the Directors and Designation	Ratio of Remuneration of Directors to the Median Remuneration of employees*	% increase of remuneration in Financial Year 2021-22 [§]
1.	Sunjay Kapur Chairperson and Non-Executive Director	29.27	-
2.	Amit Dixit Non-Executive Director	-	-
3.	Ganesh Mani Non-Executive Director	-	-
4.	Prasan Abhaykumar Firodia Independent Director	0.55	-
5.	B.V.R Subbu Independent Director	6.12 [#]	-
6.	Shradha Suri Independent Director	0.77	-
7.	Jeffrey Mark Overly Independent Director	9.34	-
8.	Vivek Vikram Singh Managing Director and Group Chief Executive Officer	177.15 [^]	6.00%
9.	Mr. Rohit Nanda Group Chief Financial Officer	104.73 ^{^^}	6.00%
10.	Mr. Ajay Pratap Singh Vice President (Legal), Company Secretary and Compliance Officer	33.84 ^{^^^}	9.00%

* includes sitting fees and commission, if any for independent directors.

§ While calculating the percentage increase in remuneration, the perquisites value of ESOPs are not considered.

Also include the sitting fees and commission received from Comstar Automotive Technologies Private Limited (the erstwhile wholly-owned subsidiary of the Company), which was merged with the Company w.e.f. 28th January, 2022.

[^] The increase in the remuneration of the Mr. Vivek Vikram Singh is as per the Company's policy and in the normal course of business. However, Mr. Singh has exercised 220,696 options during the year under review under Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company, the perquisite value of which is INR 114.41 million. The increase in the ratio of remuneration to the median employee remuneration is attributed to the inclusion of abovesaid perquisite value of stock options to his overall remuneration.

^{^^} The increase in the remuneration of the Mr. Rohit Nanda is as per the Company's policy and in the normal course of business. However, Mr. Nanda has exercised 119,300 options during the year under review under Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company, the perquisite value of which is INR 61.84 million. The increase in the ratio of remuneration to the median employee remuneration is attributed to the inclusion of abovesaid perquisite value of stock options to his overall remuneration.

^{^^^} The increase in the remuneration of the Mr. Ajay Pratap Singh is as per the Company's policy and in the normal course of business. However, Mr. Ajay Pratap Singh has exercised 39,768 options during the year under review under Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company, the perquisite value of which is INR 20.62 million. The increase in the ratio of remuneration to the median employee remuneration is attributed to the inclusion of abovesaid perquisite value of stock options to his overall remuneration.

II. THE PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2021-22:

(INR in million)		
Median remuneration of previous year 2020-21	Median remuneration of current year 2021-22	% increase
0.56	0.82	46%

III. THE NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON 31ST MARCH, 2022:

1,242 employees.

Annexure-B

IV. AVERAGE PERCENTILE INCREASES ALREADY MADE IN THE SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL IN THE LAST FINANCIAL YEAR AND ITS COMPARISON WITH THE PERCENTILE INCREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF AND POINT OUT IF THERE ARE ANY EXCEPTIONAL CIRCUMSTANCES FOR INCREASE IN THE MANAGERIAL REMUNERATION:

S. No.	Particulars	Average % increase
1.	Increase in salary of Managerial Personnel	7.00%*
2.	Increase in salary of employee (other than Managerial Personnel)	9.87%

*Considered only increase in the Salary and does not include the ESOP perquisite value.

- V. The average annual increase in the salaries of employees is based on KRA's set at the beginning of the year and the variable pay is based on the KPI's achieved and performance rating given during the year. There are no exceptional circumstances for increase in managerial remuneration.

Variable pay is calculated using a combination of individual performance and Company performance. Senior management variable pay is linked to KPIs defined at the beginning of the year along with targets which include, but are not limited to, people metrics on safety, leadership and culture, lead performance indicators like new order intake, new EV programs by value, new product development, progress on defined technology roadmap; as well as lag indicators linked to annual business plan like EBIT, net profit, product quality, customer satisfaction, etc.

VI. AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

By order of Board of Directors
For **Sona BLW Precision Forgings Limited**

Place: Gurgaon
Date: 9th June, 2022

Sunjay Kapur
(Chairman)

Annexure-C**PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES**

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2022, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements or transactions entered into during the year ended 31st March, 2022.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: 9th June, 2022

Sd/-
Sunjay Kapur
(Chairman)

Annexure-D

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members

Sona BLW Precision Forgings Limited
Sona Enclave Village Begumpur Khatola,
Sector 35, Gurgaon, Haryana – 122 004

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sona BLW Precision Forgings Limited ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and as applicable to the Company, in the manner and subject to the reporting made hereinafter:
3. We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2022 as mentioned according to the provisions of:
 - (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period);
 - h) The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; (Not applicable to the Company during the audit period);
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

S. No.	DIN	Name of Director	Designation	Nature
1.	00029664	Mr. Prasan AbhayKumar Firodia	Independent Director	Non-Executive
2.	09041143	Mr. Jeffrey Mark Overly	Independent Director	Non-Executive
3.	00176902	Mrs. Shradha Suri	Independent Director	Non-Executive
4.	00289721	Mr. Subbu Venkata Rama Behara	Independent Director	Non-Executive
5.	00145529	Mr. Sunjay Kapur	Nominee Director	Non-Executive
6.	01798942	Mr. Amit Dixit	Nominee Director	Non-Executive
7.	08385423	Mr. Ganesh Mani	Nominee Director	Non-Executive
8.	07698495	Mr. Vivek Vikram Singh	Managing Director & Group CEO	Executive

- (ii) Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, if any and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decisions were carried through and there were no instances where any director expressing any dissenting views.

7. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. In this regard, the Company has implemented an IT based Legal Risk Management System tool for managing compliances with applicable laws.

8. We further report that during the audit period the Company had following events which had bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

6. We further report that:

- (i) The Board of Directors of the Company as described below as on 31st March, 2022, is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

- (i) Equity Shares of Company were listed on BSE Limited and National Stock Exchange of India Limited w.e.f. 24th June, 2021, pursuant to Initial public offer and offer for sale by one of existing promoters of the Company.
- (ii) Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated 7th January, 2022 has approved the Scheme of Amalgamation of Comstar Automotive Technologies Private Limited, wholly-owned Subsidiary of the Company with the Company. The scheme has become effective from 28th January, 2022.

For **PI & Associates,**
Company Secretaries

Partner

(Nitesh Latwal)

ACS No.: A32109

C P No.: 16276

Date: 5th May, 2022

Place: New Delhi

UDIN: A032109D000261481

Firm Review No.: 1498/2021

Disclaimer: this report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

“Annexure A”

To,
The Members,
Sona BLW Precision Forgings Limited
Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Compliance Certificate/Management Representation Letter about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **PI & Associates,**
Company Secretaries

Nitesh Latwal
Partner

ACS No.: A32109

C P No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109D000261481

Date: 5th May, 2022
Place: New Delhi

Annexure-E

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2021-22

1 A BRIEF OUTLINE ON THE CSR POLICY OF THE COMPANY

Sona BLW Precision Forgings Limited (**Company/Sona Comstar**) continues to be driven by the purpose of doing business that not only generates prosperity but also amplifies the welfare of the society. The Company is committed to the overall welfare and development of society including but not limited to education, women empowerment, environmental sustainability, disaster management, health care and sanitation. The Company has adopted appropriate business processes and strategies to achieve the above objectives. Your Company's CSR efforts during the financial year under review, focuses on health (Including COVID-19 relief activities), education and promoting technology and innovation and benefiting armed forces veterans and their dependents etc.

The Corporate Social Responsibility Policy (hereafter referred to as 'Policy') of the Company, as approved by the Board of Directors, is available on the Company's website at <https://sonacomstar.com/files/documents/corporate-social-responsibility-policy-document-jd6O3J.pdf>.

The objective of the Policy is to lay down the general framework of action for Sona Comstar to fulfil its Corporate Social Responsibility and in particular to specify the activities and Programmes to be undertaken and also specify the modalities of execution and implementation and monitoring process of such Programmes.

The CSR projects includes activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act and the Rules made thereunder read with Schedule VII thereto.

Your Company's CSR interventions consist of four pillars that aim to strengthen and reinforce the nation and the society: **(I) Sona Comstar-Samridh Bharat, (II) Sona Comstar-Swasth Bharat, (III) Sona Comstar-Surakshit Bharat, and (IV) Sona Comstar-Saksham Bharat.** The Company shall focus on the following activities under each of these pillars:

(I) Sona Comstar – Samridh Bharat Program

Sona Comstar-Samridh Bharat Program shall focus on creating an enduring prosperity through environmental sustainability, ecological balance, and conservation of natural resources. The program will include the measures like:

- support to projects to promote innovations, incubations in mobility solutions aimed at reducing dependence on fossil fuels;
- collaborate and contribute to Programmes launched by universities and institutions of eminence to promote innovation driven startups in technology;
- support projects and research Programmes to combat air pollution through a collaborative, constructive and solution-oriented approach including the menace of stubble burning;
- support organisations working for conserving nature, wilderness preservation and combating degradation of the environment.

(II) Sona Comstar – Swasth Bharat Program

Sona Comstar-Swasth Bharat Program shall focus on health care and nutrition through measures like:

- health outreach program for the socially and economically backward people, school children and communities;
- support health awareness Programmes, camps and events;
- support in development of infrastructure in health care centers, hospital and dispensaries;
- support to specific projects/Programmes dedicated to women & child health care and nutrition;
- co-ordinate and support the agencies in management of disaster, epidemic, pandemics including relief, rehabilitation and reconstruction and developmental activities; ▸
- promote sanitation including drinking water facilities to the schools set up by the Government and local bodies.

(III) Sona Comstar – Surakshit Bharat Program

Sona Comstar -Surakshit Bharat Program shall focus through measures like:

Annexure-E

- measures for the benefit of armed forces veterans, war widows and their dependents;
- support organisations working for families of martyrs, war widows, disabled soldiers and their children and dependents of the armed forces;
- support in setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(IV) Sona Comstar – Saksham Bharat Program

Sona Comstar-Saksham Bharat program shall focus on through measures like:

- providing employability and promotion of skill development Programmes for the rural youth in numerous modules;
- support in livestock development and agriculture development program for farmers;
- empowering woman through self-help groups and promotion of livelihood and employment opportunities;

- training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- promoting education, employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement;
- partnering with government education departments, institutions and organisation for promoting education and development of model schools, development of infrastructures like hostels, classrooms, e-learning techniques etc.;
- support scholarship program to help the meritorious, under privileged children to opt for better schools and higher studies;
- distribution of books etc. for imparting education/ knowledge;
- promote gender equality, empowering women, setting up homes and hostels for women and orphans.

(V) All other areas/activities as may be prescribed Schedule VII of the Act or the Rules, as amended, from time to time.

2. COMPOSITION OF CSR COMMITTEE:

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Prasan Abhaykumar Firodia	Chairperson, Independent Director	4	3
2.	Sunjay Kapur	Member, Non-Executive Nominee Director	4	4
3.	Shradha Suri	Member, Independent Director	4	3
4.	Ganesh Mani	Member, Non-Executive Nominee Director	4	4

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

Composition of CSR committee	The composition of the CSR committee is available on our website, at https://www.sonacomstar.com/board_committees
CSR Policy	The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at https://sonacomstar.com/files/documents/corporate-social-responsibility-policy-document-jd6O3J.pdf
CSR projects approved by the Board	The Board, based on the recommendation of the CSR committee, at its meeting held on 3 rd May, 2022, has approved the annual action plan / projects for fiscal 2023, the details of which are available on our website, at https://sonacomstar.com/investor/corporate-social-responsibilities

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT).

Not Applicable.

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY.

Nil

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5)

*Average net profit of the Company for last three financial years is INR 2,755.22 million

7. (a) Two percent of average net profit of the Company as per Section 135(5)

**Two percent of average net profit of the Company is INR 55.10 million.

(B) Surplus arising out of the CSR projects or Programmes or activities of the previous financial years.

Nil

(C) Amount required to be set off for the financial year, if any

Nil

(D) Total CSR obligation for the financial year (7a+7b-7c)

***INR 55.10 million

* The average net profits of the Company for the financial year 2021-22, is arrived at, by adding up the average net profits of the Company and that of the erstwhile wholly-owned subsidiary of the Company; i.e. Comstar Automotive Technologies Private Limited, which was merged with the Company w.e.f. 28th January, 2022.

** The two percentage of average net profits of the Company for the financial year 2021-22, is arrived at, by adding up the net profits of the Company and that of the erstwhile wholly-owned subsidiary of the Company; i.e. Comstar Automotive Technologies Private Limited ("Comstar"), which was merged with the Company w.e.f. 28th January, 2022.

***The details of the CSR Obligation of INR 28.31 million pertaining to the erstwhile wholly-owned subsidiary of the Company; i.e. Comstar Automotive Technologies Private Limited, which was merged with the Company w.e.f. 28th January, 2022, is also forming part of this CSR report. The total merged CSR Obligation for the financial year is INR 55.10 million; i.e. INR 26.79 million plus INR 28.31 million.

8. (a) CSR amount spent or unspent for the financial year:

(INR in million)

Total amount spent for the Financial Year (INR in million)	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
40.11	15	26 th April, 2022	NA	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) (Including the details of Comstar)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Project duration.	*Amount allocated for the project (INR in million)	Amount spent in the current financial Year (INR in million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (INR in million)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Sona-Comstar – IIT-Delhi Innovation in Mobility Program	(ix)	No	Delhi	South Delhi	4 years	20	5	15	Yes	-	-

Annexure-E

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration.	*Amount allocated for the project (INR in million)	Amount spent in the current financial Year (INR in million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (INR in million)	Mode of Implementation - Direct (Yes/No)	Name	Mode of Implementation - Through Implementing Agency CSR Registration number
2.	Construction of Floor for innovation at CIIE-ILM A-Dr. Surinder Kapur Innovation Floor	(ix)	No	Gujarat	Ahmedabad	4 years	2.5	2.5	-	Yes	-	-
Total							22.5	7.5	15			

* This amount indicates the amount allocated for the project for the financial year 2021-22.

(c) Details of CSR amount spent other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	State	District	Amount spent for the project (INR in million)	Mode of implementation - Direct (Yes/No)	Name	Mode of implementation - Through implementing agency CSR registration number
1.	Aakash Healthcare Private Limited- Setting up of Pediatric ICU	(i) and (xii)	No	Delhi	South West Delhi	8.00	Yes	-	-
2.	Construction and maintenance of basic infrastructure in Govt. Higher Secondary School	(ii)	Yes	Tamil Nadu	Chengalpattu, Kancheepuram	7.092	Yes	-	-
3.	Renovation and building of boundary walls and toilets installation of solar panels in Govt. Sr. Sec. School	(ii)	Yes	Haryana	Gurgaon	4.654	Yes	-	-
4.	Supply of BiPaP machines to various hospitals	(i) and (xii)	Yes	Delhi	South Delhi, South West Delhi, Gurgaon,	4.60	Yes	-	-
5.	Distribution of dry ration packets, essentials, meals, hygiene kits	(i) and (xii)	Yes	Pan India	Not Applicable	4.00	No	Kaushalya Foundation	CSR00001538
6.	Setting up 100 Bedded COVID Care Centre and related activities	(i) and (xii)	Yes	Haryana	Gurgaon	2.50	Yes	-	-
7.	Assist the families/ dependents of armed forces/war veterans	(vi)	No	Pan India	Not Applicable	1.061	No	Lal Bahadur Shastri Memorial Foundation	CSR00025418
8.	Providing Oxygen concentrators to Rajmata Vijaya Raje Scindia Centre for Development	(i) and (xii)	No	Madhya Pradesh	Gwalior	0.66	Yes	-	-
9.	Primary Health Care-Infrastructure for vaccination camps	(i) and (xii)	Yes	Haryana	Gurgaon	0.043	Yes	-	-
TOTAL						32.61			

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 40.11 million
- (g) Excess amount for set off, if any:

S. No.	Particular	Amount (INR in million)
(i)	Two percent of average net profit of the Company as per Section 135(5) (calculated for 3 preceding Financial Years i.e. FY 2018-19, FY 2019-20 and FY 2020-21)	55.10
(ii)	Total amount spent for the Financial Year 2021-2022	40.11
(iii)	Excess amount spent for the Financial Year 2021-2022 [(i)-(ii)]	Nil

S. Particular No.	Amount (INR in million)
(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v) Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. Preceding Financial Year No.	Amount transferred to Unspent CSR Account under Section 135 (6) (INR in million)*	Amount spent in the reporting Financial Year (INR in million)**	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years. (INR in million)**
			Name of the Fund	Amount (INR in million)	Date of transfer	
1. 2020-2021	15.00	13.48	NA	NA	NA	1.52

* Out of the total unspent CSR amount for the preceding financial year 2020-2021, INR 10.00 million was transferred by Comstar and INR 5 million was transferred by the Company to their respective Unspent CSR Account on 17th April, 2021.

** Out of the total unspent amount of the previous financial year, Comstar had spent INR 10 million and the Company had spent INR 3.48 million respectively in the reporting financial year. The balance amount of INR 1.52 million is lying in the Unspent CSR account of the Company.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (INR in million)	Amount spent on the project in the reporting Financial Year (INR in million).	Cumulative amount spent at the end of reporting Financial Year. (INR in million)	Status of the project - Completed / Ongoing
1.	FY31.03.2021_1	Sona-Comstar – IIT-Delhi Innovation in Mobility Program	2020-2021	4 years	40.00	18.48	23.48	Ongoing
2.	FY31.03.2021_2	Construction of Floor for Innovation at CIIE-IIM A-Dr. Surinder Kapur Innovation Floor	2018-2019	4 years	25.00	2.5	25.00	Completed

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR:

No capital asset was created/acquired for the financial year ending 31st March, 2022 through CSR spent.

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):

During the Financial Year 2021-22, the Company has spent INR 40.11 million on various projects. The unspent balance of INR 15.00 million towards an ongoing project namely; IIT-Delhi-Innovation in Mobility Program, was transferred to the Unspent CSR Account and will be spent in accordance with the provisions of the applicable law.

Prasan Abhaykumar Firodia
(Chairperson of CSR Committee)

Vivek Vikram Singh
(Managing Director & Group CEO)

Date: 9th June, 2022
Place: Gurgaon

Annexure-F

THE INFORMATION PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134 (3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A- CONSERVATION OF ENERGY**(i) Steps taken or impact on conservation of energy:**

Energy conservation initiatives, energy efficient technologies have been on the top focus in the Company's operations. The Company believes actions around energy bring direct benefit to bottom-line and to the climate.

During the year the Company was able to achieve energy saving of 1,084 MWh through various operations initiatives mentioned as under:

1. Cycle time reduction in various equipment, optimization of hydraulic power pack unit, conversion of hydro pneumatic cylinders to pneumatic cylinders, modified design of heater and stopping hydraulic motor when machine is not in use.
2. Installation of motion sensors for lighting, timer based operation of plant roof lights, exhaust fans and air conditioning.

3. Variable frequency drive (VFD) installation for air compressor.

4. Energy capacity reduction by replacement of fluorescent high bay lights with LED Lights, and IE2 motors with IE3 motors.

(ii) Steps taken by the Company for utilising alternate sources of energy:

During the Financial Year 2021-22, the Company generated 1500 kWh green energy from the installed solar panels at its various plants and thereby reducing the GHG emissions.

(iii) The capital investment on energy conservation equipments:

Following investments done in Financial Year 2021-22 for energy saving activities by the Company:

INR 1,402.85 million was spent on energy saving activities such as setting up of solar panels, advanced machinery for forging press with induction heater, automatic cutting machine, led lights etc., the details of which is provided as below:

List of Items / Equipment - Energy Conservation		Financial Year 2021-22
S. No.	Description	(INR in Million)
1.	Forging Press with Induction Heater	139.02
2.	Automatic cutting machine, polishing and specimen mounting press, Microvicker & Microscope Hardness Tester	23.65
3.	FDV and Air Conditioning (All Units) - EC Fan & VFD Drive	35.17
4.	LED Lights (All Units)	2.15
5.	Clean Room for Grinding Section – VFD Drive for cooling system	55.47
6.	LPC Furnace Line – VFD Drive	532.35
7.	Turning Setup	578.80
8.	Compact Machining Centre – Cycle time reduction	36.24
9.	Installation of VFD for Air compressor, modification of Hydraulic circuit, Replacement of IE2 motors with IE3 energy efficient motors	1.13
	Total	1403.98

B- TECHNOLOGY ABSORPTION**1. Efforts in brief towards Technology Absorption, Adoption and Innovation.**

- I. Design and manufacturing of bevel gears through precision warm forging & validation with respect to the vehicle requirement.
- II. Design, manufacturing and validation of differential assembly & its aggregates.
Company has developed in-house capabilities in;
 - a. Die Design
 - b. Die Manufacturing
 - c. Gear Design
 - d. Gear Manufacturing
 - e. Differential Assembly

- III. Creation of functional specialists within R&D; Functional Safety Specialist.
 - a. ASPICE Specialist.
 - b. Software Architect.
 - c. System Engineering Specialist.
 - d. Motor Control Specialist.
 - e. Patent Specialist.
- IV. Creation of state-of-art test facilities, install latest tools and software, etc.
- V. Implement Design Processes to strengthen concept development and prove out of new technology and products.
- c) Implement Benchmarking as a discipline to understand and improve product on a continual basis.
- d) Design with product safety in mind - component selection, protection features like over voltage, over current, over temperature, etc, IP67 sealing features, EMI/EMC.
- e) Robust Product Validation process to ensure defect, bugs are fixed effectively before product launch.
- f) Localisation - development of rigorous test plans to validate components, develop local suppliers to bring them at par with import suppliers.

2. Benefits derived as a result of above efforts e.g. Product Improvement, Cost Reduction, Product Development, and Import Substitution etc.

- a) Cost Reduction and Reduction in "Time to Market", Complete indigenization of tooling, Superior gears & differential assembly compared to competition.
- b) Ability to develop products keeping in mind the rapid pace of electrification.

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year.

The Company has not imported technology during the last three years and therefore details including the details of technology imported, the year of import, whether the technology been fully absorbed and if not fully absorbed, areas where absorption has not taken place, and the reasons thereof are not applicable.

4. The expenditure incurred on Research and Development:

S. No.	PARTICULARS	AMOUNT (INR in Million)
1.	Revenue expenditure	270
2.	Capital expenditure	172
	Total	442

C- FOREIGN EXCHANGE EARNINGS AND OUTGO

S. No.	Particulars	Amount (INR in Million)
1.	Foreign exchange outgo during the financial year	3,176.14
2.	Foreign exchange earnings during the financial year	10,927.42

For **Sona BLW Precision Forgings Limited**

Date: 9th June, 2022
Place: Gurgaon

Sunjay Kapur
(Chairman)

Annexure-G

DECLARATION

[Regulation 34(3), read with Schedule V (Part D) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Vivek Vikram Singh, Managing Director & Group CEO of the Company, hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2021-22.

For **Sona BLW Precision Forgings Limited**

Date: 27th April, 2022
Place: Gurgaon

Vivek Vikram Singh
Managing Director & Group CEO
DIN: 07698495

Annexure-H

COMPLIANCE CERTIFICATE

[REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF THE SEBI
(LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATION, 2015]

To,
The Board of Directors,
Sona BLW Precision Forgings Limited
Sona Enclave Village
Begumpur Khatola, Sector 35, Gurgaon
Haryana – 122 004

In compliance with Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we hereby certify that:

1. We have reviewed the Financial Statements and the Cash Flow Statement of Sona BLW Precision Forgings Limited for the Financial Year ended 31st March, 2022 and to the best of our knowledge and belief, we state that:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated

the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

4. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes, if any, in the internal control over financial reporting during the year;
 - b) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely,

Sd/-
Rohit Nanda
Group Chief Financial Officer

Sd/-
Vivek Vikram Singh
Managing Director and Group
Chief Executive Officer

Date: 5th May, 2022
Place: Gurgaon

Annexure-I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS OF SONA BLW PRECISION FORGINGS LIMITED FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2022

[Pursuant to Regulation 34(3) and Sub-para (10)(i) of clause (C) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

Sona BLW Precision Forgings Limited

Sona Enclave Village Begumpur Khatola,
Sector 35, Gurgaon, Haryana – 122 004

1. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sona BLW Precision Forgings Limited (“the Company”) having CIN: L27300HR1995PLC083037 and having registered office at Sona Enclave Village Begumpur Khatola, Sector 35, Gurgaon, Haryana– 122 004, produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of Directors of the Company as stated below for the Financial Year ended on March, 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Director	Date of appointment in current term
1.	00029664	Mr. Prasan Abhaykumar Firodia	27/01/2021
2.	00145529	Mr. Sunjay Kapur	05/07/2019
3.	00176902	Mrs. Shradha Suri	05/08/2020
4.	00289721	Mr. Subbu Venkata Rama Behara	05/07/2019
5.	01798942	Mr. Amit Dixit	05/07/2019
6.	07698495	Mr. Vivek Vikram Singh	05/07/2019
7.	08385423	Mr. Ganesh Mani	05/07/2019
8.	09041143	Mr. Jeffrey Mark Overly	12/02/2021

3. Ensuring the eligibility for the appointment/continuity of every Director on the Board of Directors is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **PI & Associates,**
Company Secretaries

Nitesh Latwal

Partner

ACS No.: A32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109D000261602

Date: 5th May, 2022

Place: New Delhi

Annexure-J

**CERTIFICATE ON CORPORATE GOVERNANCE OF SONA BLW PRECISION FORGINGS LIMITED
FOR FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[Pursuant to Regulation 34(3) and clause (E) of Schedule V of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Sona BLW Precision Forgings Limited
Sona Enclave Village Begumpur Khatola,
Sector 35, Gurgaon, Haryana – 122 004

1. We have examined the compliance of the conditions of Corporate Governance by Sona BLW Precision Forgings Limited (**“the Company”**), for the financial year ended on 31st March, 2022 as stipulated under Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation 2 of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI Listing Regulations”**).
2. The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the declarations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on 31st March, 2022.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **PI & Associates**,
Company Secretaries

Nitesh Latwal

Partner

ACS No.: A32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109D000261624

Date: 5th May, 2022

Place: New Delhi

Annexure-K

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) 2021-22

SECTION A: GENERAL DISCLOSURES

Part 1- Details of the listed entity

1. Corporate Identity Number (CIN) of the entity: L27300HR1995PLC083037
2. Name of the listed entity: Sona BLW Precision Forgings Limited ("Sona Comstar")
3. Year of incorporation: 27th October, 1995
4. Registered office address: Sona Enclave, Village Begumpur Khatola, Sector 35 Gurgaon, Haryana 122004
5. Corporate address: Sona Enclave, Village Begumpur Khatola, Sector 35 Gurgaon, Haryana 122004
6. E-mail: investor@sonacomstar.com
7. Telephone: 91-1244768200
8. Website: <https://sonacomstar.com/>
9. Financial Year for which reporting is being done: 2021-2022
10. Name of the Stock Exchange (s) where shares are listed:

The Equity Shares of the Company are listed on the following Stock Exchanges w.e.f. 24th June 2021:

1. BSE Limited (BSE) Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001
 2. National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
- 11. Paid-up Capital:** INR 5,843,527,100 divided into 584,352,710 equity shares of INR 10/- each
- 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**
Mr. Ajay Pratap Singh, Company Secretary
Telephone: +91 124 476 8200
Email Id: investor@sonacomstar.com
- 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)?**
Standalone

Part 2- Products/services

14. Details of business activities (accounting for 90% of the entity's turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Motor vehicles, trailers, semi-trailers and other Transport Vehicles	97.44%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code (2008)	% of total Turnover contributed
1.	Differential gears	29301	29%
2.	Differential assembly	29301	30%
3.	Motors & Motor sub-assemblies	29304	38%
4.	Others	29301	3%

Part 3- Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
Gurgaon	3	1	4
Manesar	1	-	1
Pune	1	-	1
Chennai	1	1	2

17. Markets served by the entity:

a. Number of locations:

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	North America, Europe, Asia (excluding India)

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

56%

c. A brief on type of customers:

We are in a B2B business, and our products cater to the requirement of the automotive OEMs and Tier-1 suppliers globally across North America, Europe, India, and Asia (excl. India) for the application across different vehicle segments such as conventional and electric passenger vehicles, commercial vehicles, off highway vehicles and electric two & three wheelers. We earn about 82% of our revenues from direct supplies to global OEMs.

Part 4- Employees**18. Details as at the end of Financial Year 2021-22:**

S. Employees and workers (including differently abled)	
No.	
1.	Total number of permanent male employees 913
2.	Total number of permanent female employees 31
3.	Total number of male employees other than permanent 0
4.	Total number of female employees other than permanent 0
5.	Total number of permanent male workers 290
6.	Total number of permanent female workers 8
7.	Total number of male workers other than permanent 2214
8.	Total number of female workers other than permanent 13
Total	3,469

S. Differently abled Employees and workers

No.	
1.	Total number of differently abled permanent male employees 1
2.	Total number of differently abled permanent female employees 0
3.	Total number of differently abled male employees other than permanent 0
4.	Total number of differently abled female employees other than permanent 0
5.	Total number of differently abled permanent male workers 0
6.	Total number of differently abled permanent female workers 0
7.	Total number of differently abled male workers other than permanent 1
8.	Total number of differently abled female workers other than permanent 0
Total	2

Part 5- Holding, Subsidiary and Associate Companies (including joint ventures)**21. Names of holding / subsidiary / associate companies / joint ventures:**

Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity*	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Comstar Automotive Technology Services Private Limited	Subsidiary	100	No
Comstar Automotive USA LLC.	Subsidiary	100	No
Comstar Automotive Hongkong Limited	Subsidiary	100	No
Comestel Automotive Technologies Mexicana Limited	Subsidiary	100	No
Comstar Automotive (Hangzhou) Co. Ltd	Subsidiary	100	No
Comstar Hong Kong Mexico No1 LLC	Subsidiary	100	No
Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	Subsidiary	100	No
Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	Subsidiary	100	No
Sona Comstar eDrive Private Limited	Subsidiary	100	No

*Including shares held by subsidiaries of the listed entity

19. Representation/inclusion/participation of women:

1.	Total members of Board of Directors	8
2.	Total female members of Board of Directors	1
3.	Total Key Management Personnel*	3
4.	Total female Key Management Personnel	0

*Key Managerial Personnel means as per section 2(51) of the Companies Act, 2013

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):**Financial Year 2021-22**

(Turnover rate in current Financial Year)	Male	Female	Total
Permanent Employees	12.20%	14.81%	12.28%
Permanent Workers	5.37%	11.76%	5.55%

Financial Year 2020-21

(Turnover rate in previous Financial Year)	Male	Female	Total
Permanent Employees	7.37%	17.39%	7.65%
Permanent Workers	3.85%	-	3.74%

Financial Year 2019-20

(Turnover rate in the year prior to the previous Financial Year)	Male	Female	Total
Permanent Employees	9.84%	18.18%	10.07%
Permanent Workers	0.94%	-	0.91%

Annexure-K

Part 6- CSR Details

22. CSR Details

- Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- Turnover (in INR): 19,390.49 million
- Net worth (in INR): 18,994.31 million

Part 7- Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	Financial Year 2021-2022			Financial Year 2020-2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, https://sonacomstar.com/policies-and-codes	Nil	Nil	Feedback from beneficiaries is taken	Nil	Nil	Feedback from beneficiaries is taken
Investors (other than shareholders)	NA	NA	NA	The Company doesn't have investors other than its shareholders	NA	NA	The Company doesn't have investors other than its shareholders
Shareholders	Yes, https://sonacomstar.com/policies-and-codes	656	Nil	All complaints of the Company were resolved by the Company and its RTA within time. Status of all the complaints received and resolved can be found on a quarter-on-quarter basis on the website of BSE and NSE. For BSE: https://www.bseindia.com/stock-share-price/sona-blw-precision-forgings-ltd/sonacoms/543300/ For NSE: https://www.nseindia.com/get-quotes/equity?symbol=SONACOMS	Nil	Nil	The Company have separate e-mail id i.e. investor@sonacomstar.com for shareholders for sending their queries and grievances.
Employees and workers	Yes, the Company has a mail id for reporting any grievance and complaints for workers at the policy is available at https://sonacomstar.com/policies-and-codes	Nil	Nil	-	Nil	Nil	-
Customers	Yes, https://sonacomstar.com/policies-and-codes	Nil	Nil	-	Nil	Nil	-
Value Chain Partners	Yes, https://sonacomstar.com/policies-and-codes	Nil	Nil	-	Nil	Nil	-

Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social Matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Management	Risk and Opportunity	Sona Comstar is buying 100% of our energy requirements from the grid. We don't control the input mix of power in the grid. Therefore we have decided to improve our energy mix and efficiency through the steps mentioned in the approach.	<p>1. We have put up roof top solar power generating capacity of 1505.8 kWp in our plants at Gurgaon, Manesar and Chennai.</p> <p>2. We will be adding roof top solar power generating capacity in the upcoming Chakan (Pune) plant.</p> <p>3. We are also constantly working on improving the energy intensity per rupee of revenue.</p>	Positive: Reduced GHG emissions and less sensitivity to changes in cost of fossil fuel.
2.	Low Carbon Mobility	Opportunity	Sona Comstar believes that electrified mobility is necessary to reduce the GHG emissions arising from automobiles and for a greener planet. It has therefore embarked on a journey to increase its revenue from battery electric vehicles (BEV) and focused its R&D efforts towards developing drive motors, controllers and transmission solutions for different types of electric vehicles.	N.A	Positive: Sona Comstar derived 25% of its sales from BEV during Financial Year 2021-22 against 14% during Financial Year 2020-21.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Principles of National Guidelines on Responsible Business Conduct

- P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
- P2 Businesses should provide goods and services in a manner that is sustainable and safe
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P4 Businesses should respect the interests of and be responsive to all its stakeholders.
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect and make efforts to protect and restore the environment.
- P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8 Businesses should promote inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their consumers in a responsible manner.

Annexure-K

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://sonacomstar.com								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949, ISO 14001, ISO 45001, ISO 50001, TPM, ENMS, ASES, VQE								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6.	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met	N	N	N	N	N	N	N	N	N
Governance, leadership and oversight										
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)										
<p>At Sona Comstar, sustainability is at the core of everything we do, in line with our purpose to be leaders of automotive technology products. We have our sights set firmly on helping to bring the future of mobility to global consumers faster as we consistently deliver best-in-class products that exceed consumer expectations, which helps us to build lasting bonds within the automotive industry. We are working towards ensuring a brighter and more sustainable future: one that will be innovation oriented.</p> <p>We are constantly working to reduce our environmental footprint by allocating as many financial resources as possible to research projects, innovations and technology development aimed at making the process an environmental asset. A sustained focus on resource management and efficiency improvements will enable the company to attain its environmental goals. Technology initiatives such as solar plants, ZLD plants, installation of LED lights, technology incubation, energy efficient motors will help us to reduce the environmental footprint. Apart from this, adherence to all the environmental rules and regulations will strengthen commitment to make our business sustainable.</p> <p>Simultaneously, we intend to streamline our societal commitment, transforming the company into a valued and responsible neighbor in its community. We have undertaken various CSR initiatives for development of society including but not limited to education, environmental sustainability, health care and sanitation. Further, the Company is partnering with the institutions of eminence in various technological incubations projects targeted to focus on green mobility which is likely to reduce the usage of fossil fuels.</p> <p>Sona Comstar also intends to create shared value for all the stakeholders. By empowering our stakeholders to make the best use of resources, we are strategically bridging progress and sustainability for all.</p>										
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).					DIN: 07698495 Name: Mr. Vivek Vikram Singh Designation: Managing Director & Group CEO Telephone No.: +91-124-4768200 Email-id: investor@sonacomstar.com					
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.		Yes, the Board of Directors have constituted ESG Committee for implementation of Environment, Social and Governance framework across its operations.								
10. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? * (Yes/No). If yes, provide the name of the agency.		Y	Y	Y	Y	Y	Y	Y	Y	Y
* The Policies on Quality, Safety, Health and Environment are subject to internal and external audits as part of the certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through Internal Audit mechanism.										

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated: NA									
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

12. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action					Yes									Quarterly/	Annually			
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances					The Company complies with all the applicable statutory requirements									Quarterly/Annually				

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section will focus on the principle wise performance disclosures of Sona Comstar. Please verify the prefilled information, if any, and add details to the blank spaces.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programs
Board of Directors (BOD)	3	Training conducted on business ethics and transparency (Principle 1). E.g.: SEBI (Prohibition of Insider Trading) Regulations, 2015, Anti-corruption and Bribery refresher training, Anti Money Laundering and Code of Conduct of the Company	12.50%
Key Managerial Personnel (KMPs)	3	2 Training courses conducted on orientation session on SEBI (Prohibition of Insider Trading) Regulations, 2015, Anti-corruption and Bribery refresher training, Anti Money Laundering and Code of Conduct of the Company	100.00%
Employees other than BOD and KMPs	203	Trainings conducted on Code of Business Conduct, Anti-Corruption and Bribery policy, Trade Compliance policy and Anti Money Laundering and Business Sustainability training covering Ethics Policy, Anti-Corruption policy, code of conduct policy, environment, health, and safety, working conditions, plants do's and don'ts, HIRA, LOTO safety, waste disposal, human rights, social responsibility, financial accuracy, and record keeping, etc.	86.33%
Workers	226	Trainings were conducted around related safety related trainings such as plants dos and don'ts, HIRA, LOTO safety, waste disposal, etc.	66%

Annexure-K

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Monetary		Has an appeal been preferred? (Yes/No)
			Amount (In INR)	Brief of the Case	
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Non-Monetary		Has an appeal been preferred? (Yes/No)
			Brief of the Case		
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	-
-	-

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

Sona Comstar has an Anti-Corruption Compliance Policy, Whistle-Blower Policy, Code of conduct for the Board and Senior Management and Code of Conduct for Employees and Vendors. The policies are available on the website of the Company at: <https://sonacomstar.com/policies-and-codes>.

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

	Financial Year 2021-22	Financial Year 2020-2021
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

	Financial Year 2021-22		Financial Year 2020-2021	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Nil

Leadership indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
21	APQP/ PPAP / SPC/FMEA/Control Plan/ CSR/ IATF/ VSME/ OEE/ QMS/ Environment	73%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Sona Comstar's Board approved policies and procedures are in place to avoid/ manage conflict of interests such as Code of Conduct for Directors and Senior Management, Policy on Related Party Transactions, Policy for determining Material Subsidiaries, Code on Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct for prevention of insider trading, Policy for determining Materiality, and Whistle Blower Policy. The Company undertakes training and awareness sessions on ethical business practices, including sessions to avoid or manage the instances of conflict of interests in an appropriate manner.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Financial Year (2021-2022)	Financial Year (2020-2021)	Details of improvements in environmental and social impacts
R&D	98%	93%	Development of new technologies and products for energy-efficient drivetrain and powertrain for electric vehicles
Capex	86%	88%	Development of new technologies and products for energy-efficient drivetrain and powertrain for electric vehicles, and setting up of manufacturing capacity for these products

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Sona Comstar has a Green Procurement Guideline with a dedicated Environment Declaration. The Company's supplier selection, assessment and evaluation process includes elements of sustainability. This includes initial supplier survey, continuous risk assessments and periodic audits.

- b. If yes, what percentage of inputs were sourced sustainably?

27.7 % of raw material consumed by the Company comes from recycled sources. Under our green procurement guideline we plan to capture elements of sustainability in our standard purchase contracts and our suppliers would be expected to adhere to it.

3. Describe the processes in place, to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Our products are integrated into automobiles being produced by our customers and therefore cannot be reclaimed separately.

Annexure-K

4. **Whether Extended Producer Responsibility (EPR) is applicable to entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable.

Leadership indicators

1. **Has Sona Comstar conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format-**

The Company have not conducted life cycle perspective assessments.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not assessed.

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

Indicate input material	Recycled or re-used input material to total material	
	Financial Year 2021-22	Financial Year 2020-21
Steel and Casting	27.7%	25.8%

4. **Details of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:**

	Financial Year 2021-22			Financial Year 2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. **Details of reclaimed products and their packaging materials (as percentage of products sold) for each product category as per the format below:**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category					
-	-	-	-	-	-	-

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential indicators

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

Category		Total (A)									
		% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
		(B)	(B / A)	(C)	(C / A)	(D)	(D / A)	(E)	(E / A)	(F)	(F / A)
Permanent employees											
Male	913	913	100%	913	100%	NA	NA	Nil	Nil	NA	NA
Female	31	31	100%	31	100%	31	100%	NA	NA	16	52%
Total	944	944	100%	944	100%	31	100%	Nil	Nil	16	52%
Other than Permanent employees											
Male											
Female											
Total											
NA											

b. Details of measures for the well-being of workers:

Category Total (A)		% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	290	290	100%	290	100%	NA	NA	Nil	Nil	NA	NA
Female	8	8	100%	8	100%	8	100%	NA	NA	8	100%
Total	298	298	100%	298	100%	8	100%	Nil	Nil	8	100%
Other than Permanent employees											
Male	2214	2214	100%	2214	100%	NA	NA	Nil	Nil	NA	NA
Female	13	13	100%	13	100%	9	69%	NA	NA	5	38%
Total	2227	2227	100%	2227	100%	9	69%	Nil	Nil	5	38%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year, in the following format:

Benefits	Financial Year 2021-22			Financial Year 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.0%	100.0%	Y	100.0%	100.0%	Y
Gratuity	100.0%	100.0%	Y	100.0%	100.0%	Y
ESI	100.0%	100.0%	Y	100.0%	100.0%	Y
NPS	9.11%	Nil	Y	9.09%	Nil	Y
Superannuation	0.82%	Nil	Y	0.82%	Nil	Y

3. Accessibility of workplaces- Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Sona Comstar is in the process of making all the required offices/premises friendly to differently abled employees and workers.

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

Sona Comstar is an equal opportunity employer and has a Code of Conduct for its employees available at <https://sonacomstar.com/policies-and-codes>.

5. Details on return to work and retention rates of permanent employees and workers that took parental leave, in the following format:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

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

	Yes/No	Grievance mechanism*
Permanent Workers	Yes	HR Help Desk, Grievance Redressal Register and e-mail id for reporting POSH related complaints and
Other than Permanent Workers	Yes	strong whistle blower mechanism in place to address complaints or issues raised.
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

*The Company has POSH Committee to redress the POSH related complaints of employees and workers.

Annexure-K

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

Category	Financial Year 2021-2022			Financial Year 2020-2021		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	944	Nil	Nil	869	Nil	Nil
Male	913	Nil	Nil	846	Nil	Nil
Female	31	Nil	Nil	23	Nil	Nil
Total Permanent Workers	298	43	14.43%	315	44	13.97%
Male	290	43	14.83%	306	44	14.38%
Female	8	-	Nil	9	-	Nil

8. Details of training given to employees and workers, in the following format:

Category	Financial Year 2021-22					Financial Year 2020-21				
	Total (A)	On Health & safety measures		On Skill upgradation		Total (D)	On Health & safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	913	803	87.95%	881	96.50%	846	594	69.23%	832	96.97%
Female	31	30	96.77%	29	93.55%	23	18	72.00%	24	96.00%
Total	944	833	88.24%	910	96.40%	869	612	69.31%	856	96.94%
Workers										
Male	2504	2057	82.15%	1730	69.09%	2213	2118	95.71%	1612	72.84%
Female	21	16	76.19%	12	57.14%	29	22	75.86%	12	41.38%
Total	2525	2073	82.10%	1742	69%	2242	2140	95.45%	1624	72.44%

9. Details of performance and career development reviews of employees and workers:

Category	Financial Year 2021-22			Financial Year 2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	913	913	100%	846	846	100%
Female	31	31	100%	23	23	100%
Total	944	944	100%	869	869	100%
Workers						
Male	290	43	15%	306	44	14%
Female	8	Nil	Nil	9	Nil	Nil
Total	298	43	14%	315	44	14%

Note: Performance and career development reviews are conducted only for permanent employees and permanent workers.

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
Sona Comstar is compliant with ISO 45001: Occupational Health and Safety (OH&S) management system and 100% of the facilities are covered it.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
Sona Comstar has implemented Hazard Identification and Risk Assessment (HIRA) system for identifying workplace hazards, undertaking risk assessment, implementing necessary controls as per the level of risk, and eliminating or minimizing the identified risks.

The Company identifies all the potential work-related incidents through the hazard identification process and conducts likelihood assessment to estimate the frequency or probability of occurrence. Risk reduction measures are implemented to prevent incidents (reduce likelihood of occurrence) or to control incidents (limit the extent and duration of a hazardous event) and to mitigate the adverse effects or consequence. In addition to this Sona Comstar has also prepared an Emergency Preparedness Plan, Mock Drill Record Evaluation Checklist, Aspect Register and COVID-19 - Standard Operating Procedure Manual to minimize work-related hazards.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, various mechanisms have been implemented to report work-related hazards as per ISO 45001: a) Safety Patrol, b) Risk assessment, and c) Near miss report.

To mitigate work-related hazards, the company conducts emergency mock drills and safety drills as well as engages in capacity building and awareness sessions to equip its employees and workers with safety protocols and risk management steps.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, Sona Comstar ensures overall wellbeing of its employees and workers by providing health insurance, term insurance, accident insurance, regular health check-up, COVID-19 vaccination camps for its employees, and workshops for mental wellbeing of employees.

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

Safety Incident/Number	Category	Financial Year 2021-22	Financial Year 2020-2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.17	0.41
Total recordable work-related injuries	Employees	0	0
	Workers	1	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

Sona Comstar has adopted a Management Policy on Quality, Environment, Occupational Health and Safety which depicts its commitment to prevent injury or any health hazard for all of its stakeholders. The company has taken safety measures to address any injury/accident at the workplace. When performing work on specified machines, LOTO (Lockout Tagout) procedures have been reinforced for all maintenance staff to avoid unforeseen events and increase the workforce productivity. An action plan is prepared w.r.t any accident occurred on worksite and measures to avoid future similar accident. Training and awareness sessions are also conducted such as fire safety, Codebeamer tool training, NC handling, Chemical safety, Road safety, Core & shaft operation, DOJO 8 Steps training covering, 5S, 5 Senses relevance while working on shopfloor, Specific Process Operations Module on Forging, Heat Treatment, Quality Inspection, Packaging, Trolley Movement, etc.

Our COVID Procedures:

Sona Comstar have also taken active measures to promote health and safety and social distancing efforts, including providing PPEs, masks, hand sanitizers, and gloves to employees in our manufacturing facilities, staggered working shifts at our manufacturing and assembly plants and working closely with health authorities for obtaining approvals to commence operations at our plants and to lay down and enforce covid safety guidelines and protocols. In addition, as part of company's risk management policy, the company developed a mobile phone based application "SONA health app" for its employees to report their health status on a daily basis and also implemented a safety SOP applicable for the employees travelling between workplace and home, inside shop safety management practices including vendor safety management and measures

Annexure-K

to check vehicles entering and leaving its premises and employees returning to the workplace after easing of lockdown. To ensure that the employees who stayed back at the manufacturing units were provided with a safe working environment, sensor based contactless taps for drinking water & sensor-based soap dispenser, separators on eating tables in common canteen area, training on Covid safety SOP before entering plant was mandatory to have covid appropriate behavior, dry ration distribution, immunity kit distribution and vaccination drives were conducted to support the people for safe business plant operations.

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

Particulars	Financial Year 2021-2022			Financial Year 2020-2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

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

No actions were required as zero incidents were reported.

Leadership indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes, the Company provides medical, accidental and term life insurance to its employee and workers. Further, the Company benefits like provident fund, gratuity, superannuation and employees' deposit linked insurance, as applicable, are settled on a priority basis in the event of death.

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

Sona Comstar ensures its onsite value chain partners comply with the required physical operation statutory requirements and all offsite value chain partners also the Comply with Company's code of conduct.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Financial Year 2021-2022 (Current Financial Year)	Financial Year 2020-2021 (Previous Financial Year)	Financial Year 2021-2022 (Current Financial Year)	Financial Year 2020-2021 (Previous Financial Year)
Employers	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Capacity building and training for skill upgradation are made available to employees.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working Conditions	-

6. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Sona Comstar has a code of conduct for its vendors which specifies that they have to be compliant with health and safety practices and working conditions as mandated by Sona Comstar.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Yes, the Company as part of its ESG framework has identified the stakeholder group and intends to with them for their betterment.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Board	No	Email, Meetings, Personnel Visits, Notice and Agenda of Meetings	Quarterly and as per the requirement of Companies Act, 2013 and SEBI (LODR) Regulations, 2015	Role and responsibility of Board of Directors defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Therefore, the Board and its committees meet from time to time to discuss and approve the statutory requirements.
Employees	No	Training, Conferences, Website, E-mails, Meetings	Continuous	Proposing measures to increase employee competency at work as well as promote work-life balance
Customers	No	Personal visits, Mass media & digital communications, E-mails, Plant visits & social media	Continuous	Customer stewardship in terms of transparency, informed choices, Customer-centric design and innovation
Communities & NGOs & Schools/ Institutes & Hospitals	No	CSR activities, Meetings and briefings, Impact assessment surveys, Official communication channels, including emails, advertisements, Publications, Websites, and social media	Need to engage basis	Implementing community initiatives and helping them to attain a better standard of living. For making a difference in society and creation an impact through our CSR initiatives.
Suppliers & Dealers	No	Supplier & vendor meets, Workshops & trainings, Policies, IT-enabled information sharing tools and recognition platforms, Dialogue on the industry initiatives, Training course	Continuous training is provided. A supplier meet is conducted once in 2 years. Purchase Team - Meeting with supplier as per requirement. Offline or online	Training, quality improvement, capacity building measures, safety related training as per new clauses under ISO 14000 Suppliers meet to discuss vision and mission, business plan, supplier awards.

Annexure-K

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Training, Conferences, Annual Report, Notices, E-mail, Investor Meetings, General Meetings, Corporate Announcements, Newspaper Advertisements, Press Release, Investor Presentation, Quarterly & Annual Results, Corporate website	Quarterly and as per the requirement of Companies Act, 2013 and SEBI (LODR) Regulations, 2015	Discuss Company's financial performance and strategic priorities. Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website https://www.sonacomstar.com/ contains a dedicated functional segment 'INVESTOR RELATIONS' where all the information meant for the shareholders is available, including information on directors, financial statements, annual reports, codes and policies, etc.
Government & Regulators	No	Official communication channels, Regulatory audits/ inspections, Environmental compliance, Policy intervention, good governance, Statutory Corporate Filings	As per the Statutory Requirements	Report and compliances on Legal and Regulatory Requirements.

Leadership indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with various stakeholders usually happens through the management team. These consultations are part of regular interactions with these stakeholders and the board is apprised of the important issues.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The Company conducted materiality assessment incorporating the views of both internal and external stakeholders and identified the material topics for the company. For instance, energy management is one such issue. With respect to this, the plants already have received ISO 14001 certification. Also, the energy demand per unit produced has been optimized through different processes such as ensuring batch time optimization. These initiatives were in line with the Energy Management Policy.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Although none of the stakeholder group is identified as vulnerable/marginalized, the Company does engage with some stakeholder groups to understand their needs and provide the support to the extent possible e.g. the Company engages with the local community in Gurgaon and Chennai to improve the infrastructure and facilities in the Government Schools to improve the standard of education and participation of students including girl child.

Principle 5: Businesses should respect and promote human rights.

Essential indicators

1. Details on the number of employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	Financial Year 2021-22			Financial Year 2020-21		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	944	579	61.33%	869	118	13.58%
Other than permanent	0	0	0	0	0	0
Total Employees	944	579	61.33%	869	118	13.58%
Workers						
Permanent	298	43	14.43%	315	44	13.97%
Other than permanent	2227	1566	70.32%	1927	1132	58.74%
Total Employees	2525	1609	63.72%	2242	1176	52.45%

2. Details of minimum wages paid to employees and workers, in the following format:

Particulars	Financial Year 2021-22					Financial Year 2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	944	0	0%	944	100%	869	0	0	869	100%
Male	913	0	0%	913	100%	846	0	0	846	100%
Female	31	0	0%	31	100%	23	0	0	23	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	298	0	0%	298	100%	315	0	0%	315	100%
Male	290	0	0%	290	100%	306	0	0%	306	100%
Female	8	0	0%	8	100%	9	0	0%	9	100%
Other than Permanent	2227	424	19%	1803	81%	1927	433	22%	1494	78%
Male	2214	419	19%	1795	81%	1907	422	22%	1485	78%
Female	13	5	38%	8	62%	20	11	55%	9	45%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category*	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	63,60,000	1	6,30,000
Key Managerial Personnel	3	2,40,85,675	0	-
Employees other than BoD and KMP (Permanent)	910	1,266,939	31	1,804,503
Workers (Permanent)	290	837,506	8	869,234

*Doesn't include ESOP perquisite value

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

For all locations of the Company (except Chennai):

- Nodal: Mr. Amin Rao
- Designation: General Manager (HR)
- E-mail ID: speakup.sbpl@sonacomstar.com

For Chennai:

- Nodal: Mr. Umapathy E
- Designation: Senior Manager (EHS & ER)
- E-mail id: speakup.sbpl@sonacomstar.com

5. Describe the internal mechanisms in place at Sona Comstar to redress grievances related to human rights issues.

Sona Comstar's Code of Conduct Board and Senior Management strongly deters wrongdoings and promote equal opportunities for all at workplace. The Code ensures there is no discrimination or harassment in the workplace and appropriate grievance mechanism is in place. In addition to this, the company has policies such as:

- POSH Policy
- Code of Conduct for Employees
- Code of Conduct for Vendors
- Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Other Employees
- Policy to Promote Diversity on the Board of Directors

Annexure-K

6. Details on the number of complaints on the following made by employees and workers:

	Financial Year 2021-22			Financial Year 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labor	-	-	-	-	-	-
Forced Labor/ Involuntary labor	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Are there mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases? Describe, if applicable.

Sona Comstar has a "Prevention of Sexual Harassment Policy" which is being overseen by Internal Complaints Committee (ICC) constituted for each location in India under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC" or "Committee") shall meet at regular intervals to create awareness against Sexual Harassment and to ensure prevention and prohibition of Sexual Harassment at Workplace. However, in case, any Complaint is reported pertaining to Sexual Harassment, the ICC shall hold emergency meeting immediately as per its discretion within 3 working days and will proceed further in accordance with the provisions of the Act and the Rules as it may deem fit for the proper redressal of the matter. The grievance, if any, arising out of Whistle-Blower Policy and Code of Conduct is being reviewed by Audit Committee of the Board.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)-

Yes. Sona Comstar has a code of conduct for its vendors which includes aspects of human rights pertaining to their operations and conduct of business, and all vendors need to comply with the code as part of the agreement/contract.

9. Please provide details on assessments for the year, in the following format:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%*
Forced/involuntary labor	100%*
Sexual harassment	100%*
Discrimination at workplace	100%*
Wages	100%*
Others – please specify	

* The above assessment done by the Company internally from time to time.

10. Please provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments in Question 9 above.

Any risks arising from the assessment are duly taken care by committees comprising of both internal and external stakeholders.

Leadership indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Company strives to uphold the basic principles of human rights in all its operations. This is in alignment with its codes and policies. The company regularly sensitizes its employees on the Code of Conduct, Human Rights, and Freedom to form associations through various training and awareness programs. The Company is also updating many of its customers on these compliance as part of contractual framework with them.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Sona Comstar complies with all the required labor laws and is OHSAS 18001 certified. It provides training to its employees at the time of induction about the code of conduct which covers human rights issues such as child labor, gender diversity, workplace discrimination, etc. A background verification is conducted by a third party for all its employees.

3. Is the premise/office of SONA accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Sona Comstar is in the process of making all the required offices/premises friendly to differently abled visitors.

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Child labor	-
Forced/involuntary labor	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

N/A

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Sona Comstar has its manufacturing plants over 4 locations in India: Gurgaon, Manesar, Pune and Chennai.

Parameter	Financial Year 2021-2022 MWh	Financial Year 2020-2021 MWh
Total electricity consumption (A)	50,068.21	40,917.25
Total fuel consumption (B)	815.94	335.97
Energy consumption through other sources. (C) Solar	1,423.98	546.84
Total energy consumption (A+B+C)	52,308.14	41,800.07
Energy intensity per rupee of turnover (Total energy consumption in units/ turnover in rupees)	0.003	0.003
Sales in INR Mn.	18,419	13,254

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Financial Year 2021-2022	Financial Year 2020-2021
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	1,459.00
(iii) Third party water	71,237.92	55,964.85
(iv) Seawater / desalinated water	0	0
(v) Others	26,855.38	20,291.03
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	98,093.31	77,714.88
Total volume of water consumption (in kiloliters)	97,848.31	77,499.88
Water intensity per rupee of turnover (Water consumed / turnover)	00*	00*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

*numbers rounded off to two decimal points.

Annexure-K

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. Sona Comstar has a Zero Liquid Discharge (ZLD) plant at their Gurgaon site having a capacity of 50 KLD (Kilo Liter per day). MBR and Conditioning Unit with High Recovery RO Membrane based Recycling System is installed in the ZLD plant to treat High TDS water.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Sona Comstar has its manufacturing plants over 4 locations in India: Gurgaon, Manesar, Pune and Chennai.

Gurgaon

Parameter	Please specify unit	Financial Year 2021-2022	Financial Year 2020-2021
DG SETS STACKS PARAMETER (Avg.)			
	AIR QUALITY STANDARD 2009 (mg/Nm3)		
PM	75	34.28	55.88
SOX	NS	25.08	40.34
NOX	710	159.9	341
CO	150	62.97	86.53
HC	100	17.81	23.4

WORK ZONE (INDOOR AIR QUALITY) FROM (Avg)

	Std.Limits (As per*OSHA) mg/Nm3	Financial Year 2021-2022	Financial Year 2020-2021
PM	15	0.49	0.57
SOX	13	0.02	0.02
NOX	9	0.04	0.05
CO	55	1.21	0.74

Pune

Parameter	Please specify unit	Financial Year 2021-2022	Financial Year 2020-2021
DG SETS STACKS PARAMETER (AVG.)			
	STANDARD		
PM- Total Particulate Matter	<150 mg/Nm2	77.32	71.81
SO2- Sulphur Dioxide	mg/Nm2	79.89	71.81
	<120 Kg/day	1.54	1.38
Nox- Oxide of Nitrogen	<800 ppm	25.51	26.25
CO- Carbon Monoxide	<150 mg/Nm2	31.00	32.15
HC- Hydrocarbon	<100 mg/Nm2	29.95	31.50

WORK ZONE AIR MONITORING. AVG.

	STANDARD AS PER FACTORY ACT, 1948	Financial Year 2021-2022	Financial Year 2020-2021
SPM- Suspended Particular Matter.	µg/m3	48.45	37.65
SO2- Sulphur Dioxide	<5000 µg/m3	21.10	20.45
NOx- Oxides of Nitrogen	<6000 µg/m3	24.30	21.75
CO- Carbon Monoxide	<55 ppm	2.73	2.46
RSPM- Respirable Suspended Particulate Matter	<5000 µg/m3	26.55	18.40
CO2- Carbon Dioxide	<5000 ppm	134.50	95.50

Manesar

Parameter	Please specify unit	Financial Year 2021-2022	Financial Year 2020-2021
DG SETS STACKS PARAMETER (AVG.)			
	AIR QUALITY STANDARD 2009 (gm/kwh)		
PM	75	24.4	27.18
SOX	NS	-	-
NOX	710	118.9	120.11
CO	150	42.3	46.83
HC	100	10.76	10.81

WORK ZONE INDOOR AIR QUALITY(Avg.)

	Std.Limits (As per*OSHA) mg/Nm3	Financial Year 2021-2022	Financial Year 2020-2021
PM	15	0.35	0.49
SOX	13	0.01	0.02
NOX	9	0.03	0.04
CO	55	1.12	1.14

Chennai

Parameter	Std.Limits (As per*OSHA) mg/Nm3	Financial Year 2021-2022	Financial Year 2020-2021
PM	15	2.1	2.2
SOX	13	5	4
NOX	9	6	6

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Sona Comstar has its manufacturing plants over 4 locations in India: Gurugram, Manesar, Pune and Chennai.

Parameter	Unit	Financial Year 2021-2022	Financial Year 2020-2021
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	776	431
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	39,554	32,325
Total Scope-1 emissions per rupee of turnover.	Metric tonnes per rupee-	0.00*	0.0*
Total Scope 2 emissions per rupee of turnover.	Metric tonnes per rupee-	0.005*	0.00*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

*numbers rounded off to two decimal points.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, augmenting onsite solar generation facility. Total Solar capacity increased to 1505.8 kWp in Financial Year 2021-22 from 458.8 kWp Financial Year 2020-21.

Annexure-K

8. Provide details related to waste management by the entity, in the following format:

Parameter	Financial Year 2021-22	Financial Year 2020-21
Total Waste generated (in metric tons) (Current Financial Year)		
Total Waste generated (in metric tons)		
Plastic waste (A)	72.91	52.70
E-waste (B)	2.97	1.57
Bio-medical waste (C)	0.96	1.24
Construction and demolition waste (D)	-	-
Battery waste (E)	10.69	2.66
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	197.42	45.56
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	13,176.12	9,895.57
Total (A+B + C + D + E + F + G + H)	13,461.07	9,999.29
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste (Non-Hazards)		
(i) Recycled	13,263.63	9,953.72
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	13,263.63	9,953.72
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste (Hazards)		
(i) Incineration	149.79	36.82
(ii) Landfilling	45.45	8.75
(iii) Other disposal operations	2.20	-
Total	197.44	45.57

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Disposed through Govt. Authorized agency Gujarat Enviro Protection & Infrastructure Private Limited (GEPIL)

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company recycles its Hazardous & Non-Hazardous waste product through authorized recyclers. Further, all relevant plant locations have Wastewater Treatment Plant (WWTP) which is combination of Effluent treatment plant (ETP) and Sewage treatment plant (STP).

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
-	-	-	-

None of the company plants are around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, Sona Comstar is compliant with all the applicable environmental laws.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-

Leadership indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Financial Year 2021-2022 MWh	Financial Year 2020-2021 MWh
From renewable sources		
Total electricity consumption (A)	1,423.98	546.84
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	1,423.98	546.84
From non-renewable sources		
Total electricity consumption (D)	50,068.21	40,917.25
Total fuel consumption (E)	815.94	335.97
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	50,884.15	41,253.23

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	Financial Year 2021-2022
Water discharge by destination and level of treatment (In Kilolitres)	
i) To Surface water	-
- No treatment	-
- With treatment – please specify level of treatment	-
(ii) To Groundwater	-
- No treatment	-
- With treatment – please specify level of treatment	-
(iii) To Seawater	-
- No treatment	-
- With treatment – please specify level of treatment	-
(iv) Sent to third-parties	-
- No treatment	-
- With treatment – please specify level of treatment	-
v) Others	-
- No treatment	-
- With treatment – please specify level of treatment	-
Total water discharged (In Kiloliters)	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Sona Comstar uses water extensively in making parts that require material transformation at high temperatures. To minimize water discharges, it has established water treatment systems such as ETP (Effluent Treatment Plants) and Zero Liquid Discharge (ZLD) plants that enable its recovery, which are present in all its manufacturing locations. Hence, water discharge by Sona Comstar is negligible.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area: Gurgaon and Chennai
- Nature of operations: Manufacturing
- Water withdrawal, consumption, and discharge in the following format:

Annexure-K

Gurgaon

Parameter	Financial Year 2021-2022	Financial Year 2020-2021
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	52,563	41,049
(iv) Seawater / desalinated water	-	-
(v) Others	2518	6045
Total volume of water withdrawal (in kiloliters)	55,081	47,094
Total volume of water consumption (in kiloliters)	55081	47094
Water intensity per rupee of turnover (Water consumed / turnover)	0.00*	0.00*

*numbers rounded off to two decimal points.

Chennai

Parameter	Financial Year 2021-2022	Financial Year 2020-2021
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	0	1459
(iii) Third party water	16348	12870
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	16348	14329
Total volume of water consumption (in kilolitres)	16103	14114
Water intensity per rupee of turnover (Water consumed / turnover)	0.00*	0.00*

*numbers rounded off to two decimal points.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format

The Company is currently not measuring Scope 3 emissions.

Parameter	Unit	Financial Year 2021-2022	Financial Year 2020-2021
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, as the company doesn't have any operations in ecologically sensitive areas,

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Solar Plant	1505.8 kWp	Reduction in GHG emissions
2.	ZLD Plant	50 KLD Capacity	Reduction in freshwater intake
3.	Replacement of Fluorescent light into LED lights of 80 no.s	-	35910 kWh savings/Year

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4.	Installation of VFD for Air compressor - 4	-	Installed on March 2022. Savings to be calculated in upcoming months.
5.	Installation of Energy efficient IE3 motors	-	9763 kWh Savings/year

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Sona Comstar has an emergency procedure integrated into its management system for dealing with emergency situations, minimize hazards to environment and human health. A list of potential emergency situations has been identified and the roles and responsibilities of all concerned personnel are also defined to handle the emergencies effectively. The safety officer is responsible for mock drills which are conducted at 6 months intervals whereas safety drills are conducted at 2 months intervals or as per plan to evaluate emergency preparedness. Training and awareness sessions are conducted for the employees and emergency handling teams to prepare them for actual emergency situations.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Nil

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Four

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industry (CII)	National
2.	Automotive Component Manufacturers Association (ACMA)	National
3.	Association of Indian Forging Industry (AIFI)	National
4.	Gurgaon Chamber of Commerce and Industries (GCCCI)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

There have been no instances of anti-competitive behavior undertaken by the Company and therefore there are no corrective actions taken or underway by the regulatory authorities against the Company.

Leadership indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
-	-	-	-	-	-

Annexure-K

Principle 8: Businesses should promote inclusive growth and equitable development

Essential indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In INR)
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.

The community grievances, if any can be submitted at the security desk. Any complaint so received is forwarded to Admin department for further action.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	Financial Year 2021-2022	Financial Year 2020-2021
Directly sourced from MSMEs/ small producers	47.66%	42.70%
Sourced directly from within the district and neighboring districts	38.78%	38.17%

Leadership indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
-	-

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR) (Financial Year 2022)
1.	Gujarat	Ahmedabad	2.50 mn
2.	Delhi	Southwest Delhi	5.00 mn
3.	Pan-India	Pan-India	4.00 mn
4.	Haryana	Gurugram	4.65 mn
5.	Tamil Nadu	Chengalpattu, Kancheepuram	7.09 mn
6.	Delhi	South West Delhi	8.00 mn
7.	Delhi, Haryana	South Delhi, South West Delhi, Gurgaon	4.60 mn
8.	Haryana	Gurugram	2.50 mn
9.	Pan-India	Pan-India	1.06 mn
10.	Madhya Pradesh	Gwalior	0.66 mn
11.	Haryana	Gurugram	0.04 mn

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	SONA COMSTAR--SAMRIDH BHARAT PROGRAMT: Collaboration with IIM-A for constructing a floor for technology business incubators	Technology Entrepreneurs, Incubators	-
2.	SONA COMSTAR--SAMRIDH BHARAT PROGRAM: Partnered with FITT for innovations, which create safe, convenient and eco-friendly mobility	Technology Entrepreneurs, Incubators	-
3.	SONA COMSTAR--SWASTH BHARAT PROGRAM: Distribution of cooked meals, dry ration packets, essentials, meals, hygiene kits in various pockets of Localities/ Villages/Districts to the communities affected by Covid-19	Communities, people, migrant labour and workers affected by COVID-19 pandemic (approximately 457,000 meals)	-
4.	PROGRAM-SAKSHAM BHARAT: Construction and maintenance of basic infrastructure in Govt. Higher Secondary School, Chennai.	Students	-
5.	SONA COMSTAR-SAKSHAM BHARAT PROGRAM: Renovation and building of boundary walls and toilets installation of solar panels in Govt. Sr. Sec. School, Gurgaon	More than 1000 students	-
6.	SONA COMSTAR--SWASTH BHARAT PROGRAM: Aakash Healthcare Private Limited-Setting up of Pediatric ICU	General Public	-
7.	SONA COMSTAR-SWASTH BHARAT PROGRAM: Supply of BiPaP machines to various hospitals	General Public	-
8.	SONA COMSTAR-SWASTH BHARAT PROGRAM: Setting up 100 Bedded COVID Care Centre and related activities	The facility remained operational for 3 months and it catered to around 230 patients from Gurugram and nearby areas during the period it was operational	-
9.	SONA COMSTAR--SURAKSHIT BHARAT PROGRAM: Assist the families/ dependents of armed forces/war veterans	War veterans and their families	-
10.	SONA COMSTAR-SWASTH BHARAT PROGRAM: Providing Oxygen concentrators to Rajmata Vijaya Raje Scindia Centre for Development	General Public	-
11.	SONA COMSTAR--SWASTH BHARAT PROGRAM: Primary Health Care- Infrastructure for vaccination camps	General Public	-

Annexure-K

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Sona Comstar is a B2B company and sells its products predominantly to large OEMs. Sona Comstar ensures on time delivery in full to all its customers based upon the schedules shared by them. In case of any complaints, customers can raise the complaint with the Company SPOC or send their complaints in mail to the company.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Business Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

	Financial Year 2021-22		Remarks	Financial Year 2020-2021		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Sona Comstar has established information security policy to protect itself against the cyber security and data privacy risks and ensure appropriate procedures to mitigate these risks in a timely manner. The approach is based on the International Standard ISO/IEC 27001 INFORMATION SECURITY MANAGEMENT. Sona Comstar has implemented a framework in the Third-Party Risk Management for all vendors to comply with the IT security procedures as per Sona Comstar guidelines which is also part of their Non-Disclosure Agreement.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable.

Leadership indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

All information is accessible on the company's website: <https://sonacomstar.com/> SONA LinkedIn page also offers information and regular updates for the products and services.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Sona Comstar is a B2B company and sells its products to larger OEMs predominantly. Sona Comstar while entering the business with its customers make a declaration that they are REACH or IMDS compliant. They also perform business validation compliance as part of product development. This gives assurance to the customers about the product composition and safety. Further, for safe shipping of products, dimension and weight of packaging are mutually signed off by Sona Comstar and customer as per the global standards.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief

Not Applicable

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

6. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact - Nil
- b. Percentage of data breaches involving personally identifiable information of customers - Nil