

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Sona BLW Precision Forgings Limited ("**Sona Comstar/Company**") philosophy of Corporate Governance is built on a foundation of sound business ethics, fairness, and trust in dealing with all stakeholders.

Sona Comstar believes that Corporate Governance is the bedrock for fostering a state-of-the-art and future ready organisation delivering extra-ordinary and sustainable growth.

Sona Comstar is committed to implement best corporate governance practises 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.

Sona Comstar plays a pivotal role in energising and driving the organisation forward to an exciting and promising future. The values of standing for each other's success, creative zeal, scientific rigour, audacity, integrity, and customer passion combined with the commitment to sustainability and safety ensures that the employees, and thus the organisation, at all times stays focused on creating value and joy for all its stakeholders.

In dealing with external stakeholders, the Company believes in maintaining transparency with timely exchange of information. The leadership in the Company sets the tone through their actions and this ensures that the organisation remains true to its culture and values in letter and spirit. 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 disclosure made by the managements and Board of Directors. 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 and healthy workplace for its employees.

The Company's initiatives towards improving its Environmental, Social and Governance ("**ESG**") performance and its contribution towards Sustainable Development Goals, the Company has published its first Sustainability Report for the financial year 2021-22 in line with the GRI Standards, which is available on the website of the Company at <https://sonacomstar.com/investor/Sustainability>. This report provides the additional relevant information's to the stakeholders of the Company.

During the financial year, the Company has also received the **7th ICSI CSR Excellence Awards- certificate of recognition** from the Institute of Company Secretaries of India ("**ICSI**").

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 of the Company 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 of the Company, stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with the Code of conduct for Board of Directors and Senior Management Personnel is annexed as **Annexure-H**.

Beyond the regulatory landscape, during the period under review, the Company has amended the "Code of Conducts for its Employees" and included various clauses from the prospective of Good Corporate Governance practises in the Company and renamed it as the "Code of Conduct and Business Ethics". This Code of Conduct and Business Ethics is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>

The Company has also implemented a Code of Conduct for its vendors, supplier, contractors and other business partners. The Company encourages transactions with business partners who share the same values, and ethical practices. This Code of Conduct 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. This Code of Conduct is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>.

The Company regularly conducts training and awareness program for its employees to create awareness on the ethical issues.

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 trainings, awareness sessions and update through flyers for its designated persons to prohibit 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" ("**Code**") 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. The aforesaid Code are posted on the Company's website and can be accessed at <https://sonacomstar.com/policies-and-codes>

During the Financial Year 2022-23, the Company has conducted various training, awareness sessions and programs for designated persons to familiarize them with the compliances and the responsibilities required to be carried out under the PIT Regulations and the Code. Frequent communications via emails, 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 and to mitigate the risks of non- compliances.

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

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

GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

Sona Comstar' s governance structure comprises the Board of Directors, Committees of the Board and the management. Corporate Governance Guidelines at Sona Comstar are articulated through the Company's Code of Conduct, charters of various Committees of the Board and various other policies.

BOARD OF DIRECTORS

The Board of Directors have the responsibility of ensuring long-term business strategy, enhancing value of all stakeholders, effective management, and monitoring the effectiveness of the Company's Corporate Governance practices. The Managing Director & Group CEO reports to the Board and is in charge of the management of the affairs of the Company, executing business strategy in consultation with the Board and achieving annual and long-term business goals.

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

As on March 31, 2023, the Board of the Company comprises of 8 (eight) directors, of which 4 (four) are Independent Directors (including 1 (one) woman Independent Director), 1 (one) is Executive Director, and 3 (three) are Non-Executive Directors.

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

All directors take active part into 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 values 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 directors are related to each other 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 Listing Regulations and the Act. The profile of the Management Team of the Company is also available on the website of the Company at <https://sonacomstar.com/about-team>.

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 8 times to discuss and deliberate on various matters. The meetings were held on May 5, 2022, June 9, 2022, July 28, 2022, September 27, 2022, October 28, 2022, January 9, 2023, January 24, 2023 and March 24, 2023. The Board met quarterly and the gap intervening two meetings was within the time prescribed under the Act and Listing Regulations.

Composition and Attendance (in brief):

8

Directors

4

Independent
Directors

4

3 Non- Executive
Directors and 1
Executive Director

8

Meetings

91%

Attendance

As on 31st March, 2023, 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 8 board meeting held) | Attendance at the AGM held on 14th July, 2022 | Number of Directorship | | Committee Positions # | | Name of the Listed Entities | |
|--|--|---|---|------------------------|---------|-----------------------|--------|---|---|
| | | | | Public | Private | Chairperson | Member | In which he/she is a Director | Category of Directorship |
| Mr. Sunjay Kapur (DIN: 00145529) | Promoter, Chairperson and Non Executive Director | 8 | Yes | 4 | 5 | - | - | Jindal Steel & Power Limited | Independent Director |
| Mr. Amit Dixit (DIN: 01798942) | Non- Executive Director | 7 | No | 5 | 2 | - | 1 | Mphasis Limited EPL Limited | Non-Executive Director Non-Executive Director |
| Mr. Ganesh Mani (DIN: 08385423) | Non- Executive Director | 8 | Yes | 2 | 3 | - | 2 | - | - |
| Mr. Subbu Venkata Rama Behara (B.V.R. Subbu) (DIN: 00289721) | Non- Executive Independent Director | 8 | Yes | 3 | 9 | 2 | 4 | KPIT Technologies Limited MTAR Technologies Limited | Non-Executive Independent Director Non-Executive Independent Director, Chairperson |
| Mrs. Shradha Suri (DIN: 00176902) | Non- Executive Independent Director | 8 | No | 6 | 3 | - | 3 | Asahi India Glass Limited Subros Limited Uniparts India Limited | Independent Director Chairperson and Managing Director Independent Director |
| Mr. Prasan Abhaykumar Firodia (DIN: 00029664) | Non- Executive Independent Director | 3 | Yes | 2 | 4 | 1 | 4 | Force Motors Limited | Managing Director |
| Mr. Jeffrey Mark Overly (DIN: 09041143) | Non- Executive Independent Director | 8 | Yes | 1 | - | - | 2 | - | - |
| Mr. Vivek Vikram Singh (DIN: 07698495) | Managing Director and Group CEO | 8 | Yes | 1 | - | - | 1 | - | - |

#For the purpose of considering the limit of Committee membership and chairmanship of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 149(6) of the Act and the rules framed thereunder, all Independent Directors confirmed that they meet the independence criteria as specified in the Listing Regulations 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 Act and the Listing Regulations. Based on the confirmations/ disclosures received from the Independent

Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the Management.

In terms of clause VII of schedule IV to the Act read with regulation 25(3) of Listing Regulations, a separate meeting of Independent Directors of the Company, was held during the year. All the Independent Directors of the Company complies with the criteria's pertaining to the maximum number of directorships as per regulation 17A of Listing Regulations.

Lead Independent Director

Mr. B.V.R Subbu, Independent Director has been appointed as the Lead Independent Director with effect from September 1, 2022. As a Lead Independent Director, Mr. Subbu has been entrusted, *inter-alia*, with the following roles and responsibilities:

- Lead exclusive meetings of the Independent Directors and provide feedback to the Chairperson/Board of Directors after such meetings;
- Provide leadership to the Independent Directors and serve as liaison between the Chairperson of the Board and the Independent Directors;

- iii. Ensure Board effectiveness to maintain high-quality governance of the Company and the effective functioning of the Board;
- iv. Take the lead role, along with Chairperson of the Board and Nomination and Remuneration Committee, in assessing the performance evaluation of the Board and that of Individual Director;
- v. Identify critical issues for the Board to deal with and assist the Board in achieving consensus on important issues.

Board meetings - Functioning and Procedure

| | |
|---|--|
| Calendar | The probable dates of the Board meetings for the forthcoming financial year are decided and circulated to the directors in the beginning of the calendar year, in advance. |
| Frequency | The Board meets at least once a quarter to review the quarterly financial results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. |
| Location | The mode of attending the Board meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board meetings. All the meetings during the year were held virtually. |
| Matters | All divisions / departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussions / approval / decision of the Board and / or its Committee(s). All such matters are communicated to the Company Secretary in advance so that the same can be included in the agenda for the Board / Committee meetings. |
| Board material / agenda distributed in advance | Meetings are governed by the structured agenda. The agenda for each Board meeting is circulated in advance to the Board members. The agenda items are backed by the comprehensive background information. |
| Presentations by management | The Board is given presentations covering finance, sales, performance and updates on major business segments and operations of the Company / subsidiaries global business environment including business opportunities, business strategy and the risk management practices, changes in applicable law. |
| Access to employees | The Directors are provided free access to communicate with the officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of the matters being considered. |
| Availability of information to the Board members | The information placed before the Board includes annual operating plans and budgets including operating and capital expenditure budgets, quarterly financial results of the Company both consolidated and standalone basis, financials of each of the subsidiaries and investments made by the subsidiaries, risk assessment and minimisation procedures, update on the state of the market for the business as well as on the strategy, minutes of subsidiaries, minutes of all the Board Committees, related party transactions, details of the treasury investments, details of foreign exchange exposure, update on statutory and secretarial compliance reports and reports of non-compliances, if any. |
| Post meeting follow-up mechanism | The guidelines for Board and Committee meetings facilitate an effective post meeting follow up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee meetings are promptly communicated to the concerned departments / divisions. Action taken report on the decisions of the previous meeting(s) is placed at the subsequent meetings of the Board / Committee(s) for information and review by the Board / Committee(s). |

Information placed before the Board

The Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by the management of the Company on important matters from time to time.

Pursuant to the various regulatory requirements and considering business needs, the Board is apprised on various matters, inter alia, covering the following:

- Business plans, forecast and strategic initiatives;
- Capital expenditure and updates;
- Internal financial controls;
- Details of incidence of frauds, and corrective action taken thereon;
- Performance of subsidiaries;
- Risk management system;
- Compliance with corporate governance standards;

- Minutes of meetings of subsidiaries and various statutory and non-statutory Committees of the Board;
- Compliance with code of conducts and ethical policies;
- Changes in regulatory landscape; and
- Succession planning and organisation structure.

Meeting of Independent Directors

The Independent Directors of your Company met on March 24, 2023 before the Board Meeting and other Committee meetings and without the presence of Non-Independent Director(s). Mr. B.V.R. Subbu, the lead independent director, presided the meeting of Independent Directors.

The Meeting of Independent Directors was held in an formal and flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board of Directors as a whole, review the performance of the Chairperson of the Company (taking into account the views of other Executive and Non-Executive Directors), assess the quality, quantity

and timeliness of flow of information between the Company Management and the Board that is necessary for the Board of Directors to effectively and reasonably perform their duties.

DETAILS OF EQUITY SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON MARCH 31, 2023

As on March 31, 2023, 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. Shardha Suri (Independent Director) | 145 | NIL |

DETAILS OF EQUITY SHARES AND CONVERTIBLE INSTRUMENTS HELD BY KEY MANAGERIAL PERSONNEL OF THE COMPANY AS ON MARCH 31, 2023

| S. No. | Name of Key Managerial Personnel | No. of Equity Shares | No. of Convertible Instruments |
|--------|---|----------------------|--------------------------------|
| 1. | Vivek Vikram Singh (Managing Director and Group Chief Executive Director) | 2,20,696 | NIL |
| 2. | Rohit Nanda (Group Chief Financial Officer and Chief Risk Officer) | 65,000 | NIL |
| 3. | Ajay Pratap Singh (Vice President (Legal), Company Secretary and Compliance Officer) | 5,022 | NIL |

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

In compliance with Regulation 25(7) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has a structured programme for orientation and training of Directors at the time of their joining and thereafter, to enable them to understand the nature of the industry in which the Company operates in, business model of the Company, their rights and responsibilities as Independent Directors.

The exhaustive induction for Independent Directors enables them to be familiarized with the Company, its history, values and purpose. The Managing Director and Group CEO also makes presentations in every quarterly meeting 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 familiarisation programmes for Independent Directors are put up on the website of the Company and can be accessed at <https://sonacomstar.com/policies-and-codes>

CHART/MATRIX OF SETTING OUT THE SKILLS/ EXPERIENCES/COMPETENCIES OF THE BOARD OF DIRECTORS:

In terms of requirements of the Listing Regulations, the Board has identified the following skills/expertise/ competencies of the Directors, with reference to its business and industry that are fundamental for the effective functioning of the Company, as on March 31, 2023:

| 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 background 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.

DIRECTOR AND OFFICER LIABILITY INSURANCE (D&O)

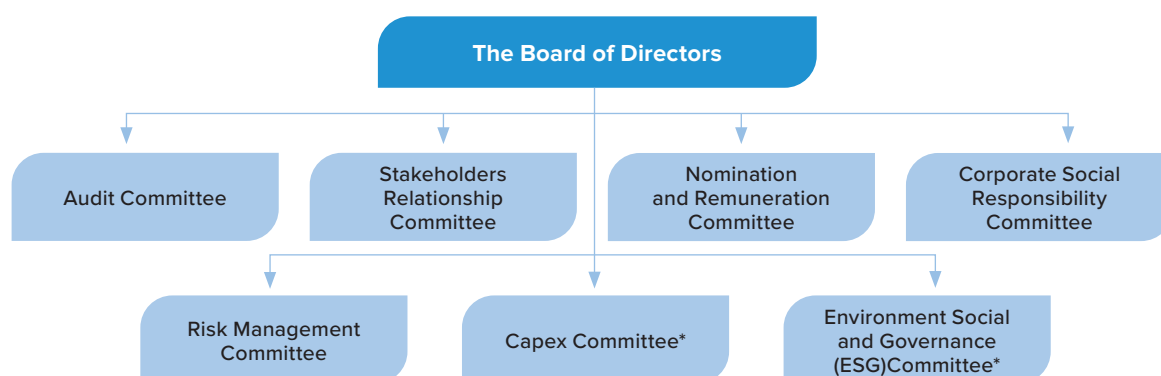
The Company has taken a Directors and Officers Liability Insurance ("D&O") for all Directors including Independent Directors and Officers, of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

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.

The Board has constituted the following five statutory committee's viz. Audit Committee, Nomination and

Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee, Capex Committee and Risk Management Committee to carry out clearly defined roles, the Terms of Reference of these Committees of the Board is also available on the website of the Company at <https://sonacomstar.com/files/policy/terms-of-reference-of-the-committees-policy-IAA7NT.pdf>. In addition to above, 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 was 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 the 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 Act 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 (ICSI), 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.

Composition and Attendance (in brief):

75%

Independent Directors

4

Members

7

Meetings

82%

Attendance

The Composition of the Audit Committee of the Board of Directors of the Company, along with the detail of the meetings held and attended by the members of the Committee during the Financial Year 2022-23, is detailed below:

| Name of Directors | Nature of Membership | Audit Committee meetings dates | | | | | | | Held during tenure | Attended | % of attendance |
|-------------------------------|----------------------|--------------------------------|--------------|---------------|--------------------|------------------|------------------|----------------|--------------------|----------|-----------------|
| | | May 5, 2022 | June 9, 2022 | July 28, 2022 | September 27, 2022 | October 28, 2022 | January 24, 2023 | March 24, 2023 | | | |
| Mr. Subbu Venkata Rama Behara | Chairperson | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 | 7 | 100 |
| Mr. Prasan Abhaykumar Firodia | Member | - | ✓ | - | ✓ | - | - | - | 7 | 2 | 28.57 |
| Mr. Jeffrey Mark Overly | Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 | 7 | 100 |
| Mr. Ganesh Mani | Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 | 7 | 100 |

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

Audit Integrity

The Company has appointed independent auditors to conduct statutory audit, internal audit and secretarial audit. The audit committee meets with each of the auditors separately without the presence of the Management to review and monitor the effectiveness of audit process and timely available of information's / data form the Management to perform the Audit.

The Audit Committee has the following Terms of Reference:

The Scope and Functions of Audit Committee are in accordance with Section 177 of the Act and the Listing Regulations, as amended, from time to time, which is available on the website of the Company at <https://sonacomstar.com/files/policy/terms-of-reference-of-the-committees-policy-IAA7NT.pdf> and 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 Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment 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 or rights issue or preferential issue or qualified institutions placement), the statement of funds utilized 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;
- 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 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 compliances with the new regulatory requirements.
- 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
 - 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 utilized 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 subsidiaries.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") comprises of 6 (six) non-executive directors, of whom 4 (four) members including the Chairperson of the Committee are independent directors.

As per section 178(7) of the Act and Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI"), 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 Act and rules made thereunder and the Listing Regulations.

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:

Composition and Attendance (in brief):

67%

Independent Directors

6

Members

5

Meetings

83%

Attendance

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 2022-23, is detailed below:

| Name of Directors | Nature of Membership | Nomination and Remuneration Committee meeting dates | | | | | Held during tenure | Attended | % of attendance |
|-------------------------------|----------------------|---|--------------------|------------------|------------------|----------------|--------------------|----------|-----------------|
| | | June 9, 2022 | September 27, 2022 | October 28, 2022 | January 24, 2023 | March 24, 2023 | | | |
| Mr. Jeffrey Mark Overly | Chairperson | ✓ | ✓ | ✓ | ✓ | ✓ | 5 | 5 | 100 |
| Mr. Subbu Venkata Rama Behara | Member | ✓ | ✓ | ✓ | ✓ | ✓ | 5 | 5 | 100 |
| Mr. Amit Dixit | Member | ✓ | - | ✓ | ✓ | ✓ | 5 | 4 | 80 |
| Mr. Sunjay Kapur | Member | ✓ | ✓ | ✓ | ✓ | ✓ | 5 | 5 | 100 |
| Mr. Prasan Abhaykumar Firodia | Member | ✓ | ✓ | - | - | ✓ | 5 | 3 | 60 |
| Mrs. Shradha Suri | Member | ✓ | ✓ | ✓ | - | - | 5 | 3 | 60 |

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 Act and the Listing Regulations, as amended, from time to time, which is available on the website of the Company at <https://sonacomstar.com/files/policy/terms-of-reference-of-the-committees-policy-IAA7NT.pdf> and 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 a 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.

Succession Planning

The Company believes that sound succession plans for the Board Members and Senior Management are very important for creating a robust future for the Company.

The NRC plays a pivotal role in identifying successors to the members of the Senior Management and invests substantial time with the Managing Director & Group CEO on succession planning. The succession plan is closely aligned with the strategy and long-term needs of the Company. The Company has adopted the Succession Planning Policy in terms of regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the Succession Planning Policy of the Company is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>

3. Corporate Social Responsibility Committee

The Corporate Social Responsibility ("CSR") Committee comprises of 4 (four) non-executive directors, of whom 2 (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 Act and rules made thereunder.

Composition and Attendance (in brief):

50%

Independent Directors

4

Members

4

Meetings

69%

Attendance

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 2022-23, is detailed below:

| Name of Directors | Nature of Membership | CSR Committee meeting dates | | | | Held during tenure | Attended | % of attendance |
|-------------------------------|----------------------|-----------------------------|---------------|------------------|---------------|--------------------|----------|-----------------|
| | | May 3, 2022 | July 28, 2022 | January 24, 2023 | March 7, 2023 | | | |
| Mr. Prasan Abhaykumar Firodia | Chairperson | - | - | - | - | 4 | 0 | 0 |
| Mrs. Shradha Suri | Member | - | ✓ | ✓ | ✓ | 4 | 3 | 75 |
| Mr. Sunjay Kapur | Member | ✓ | ✓ | ✓ | ✓ | 4 | 4 | 100 |
| Mr. Ganesh Mani | Member | ✓ | ✓ | ✓ | ✓ | 4 | 4 | 100 |

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

issues related to any significant subject within its term of reference.

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

4. Stakeholders Relationship Committee

The Stakeholders Relationship Committee ("SRC") comprises of 3 (three) directors and out of them 2 (two) are non-executive and Independent Directors and one executive director, the Chairperson of the Committee is Independent Director. 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 (ICSI), 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.

Composition and Attendance (in brief):

67%

Independent Directors

3

Members

4

Meetings

67%

Attendance

The composition along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2022-23 is as below:

| Name of Directors | Nature of Membership | SRC Committee meeting dates | | | | Held during tenure | Attended | % of attendance |
|-------------------------------|----------------------|-----------------------------|---------------|------------------|------------------|--------------------|----------|-----------------|
| | | May 3, 2022 | July 28, 2022 | October 28, 2022 | January 24, 2023 | | | |
| Mr. Prasan Abhaykumar Firodia | Chairperson | - | - | - | - | 4 | - | - |
| Mr. Jeffrey Mark Overly | Member | ✓ | ✓ | ✓ | ✓ | 4 | 4 | 100 |
| Mr. Vivek Vikram Singh | Member | ✓ | ✓ | ✓ | ✓ | 4 | 4 | 100 |

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 authorize 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 March 31, 2023, 46 complaints were received from shareholders, all of which have been attended/resolved to the satisfaction of the Shareholders. Most of these complaints related to dividend and asking for physical copy of the Annual Report of the Company. These complaints were duly resolved by the Company in co-ordination with its RTA.

As of date, there are no complaints pending regarding the share transfers pertaining to the year under review. Details relating to the number of complaints received and redressed during the Financial Year 2022-23 are as under:

| No. of Investor/Shareholders complaints pending at the beginning of the Financial Year 2022-23 | No. of Investor/Shareholders complaints received during the Financial Year 2022-23 | No. of Investor complaints not resolved to the satisfaction of shareholders during the Financial Year 2022-23 | No. of Investor complaints pending at the end of the Financial Year 2022-23 |
|--|--|---|---|
| Nil | 46 | Nil | Nil |

5. Risk Management Committee

The Risk Management Committee ("RMC") comprises of 3 (three) non-executive directors and 1 (one) executive director, of whom 1 (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.

Composition and Attendance (in brief):

25%

Independent Directors

4

Members

2

Meetings

100%

Attendance

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 2022-23, is detailed below:

| Name of Directors | Nature of Membership | RMC meeting dates | | Held during tenure | Attended | % of attendance |
|-------------------------|----------------------|-------------------|------------------|--------------------|----------|-----------------|
| | | July 28, 2022 | January 24, 2023 | | | |
| Mr. Jeffrey Mark Overly | Chairperson | ✓ | ✓ | 2 | 2 | 100 |
| Mr. Ganesh Mani | Member | ✓ | ✓ | 2 | 2 | 100 |
| Mr. Sunjay Kapur | Member | ✓ | ✓ | 2 | 2 | 100 |
| Mr. Vivek Vikram Singh | Member | ✓ | ✓ | 2 | 2 | 100 |

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 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 3 (three) non-executive directors and 1 (one) executive director, of whom 1 (one) member including the Chairperson of the Committee is Independent Director.

The Composition of the ESG Committee is detailed below:

| Name of Directors | Nature of Membership |
|--------------------------|----------------------|
| Mr. Jeffrey Mark Overly* | Chairperson |
| Mr. Sunjay Kapur | Member |
| Mr. Ganesh Mani | Member |
| Mr. Vivek Vikram Singh | Member |

*Mr. Jeffrey Mark Overly was appointed as member and Chairperson of the Committee w.e.f. September 17, 2022.

7. Capex Committee

The Capex Committee comprises of (3) three non-executive directors. The role of the Committee is to approve new capex and shall also monitor the cash out flow granularly in an effective manner.

Composition and Attendance (in brief):

25%

Independent Directors

3

Members

5

Meetings

100%

Attendance

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 2022-23, is detailed below:

| Name of Directors | Nature of Membership | Capex Committee meeting dates | | | | | Held during tenure | Attended | % of attendance |
|-------------------------|----------------------|-------------------------------|---------------|------------------|------------------|----------------|--------------------|----------|-----------------|
| | | May 3, 2022 | July 28, 2022 | October 28, 2022 | January 24, 2023 | March 24, 2023 | | | |
| Mr. Sunjay Kapur | Chairperson | ✓ | ✓ | ✓ | ✓ | ✓ | 5 | 5 | 100 |
| Mr. Ganesh Mani | Member | ✓ | ✓ | ✓ | - | ✓ | 5 | 4 | 80 |
| Mr. Jeffrey mark Overly | Member | ✓ | ✓ | ✓ | ✓ | ✓ | 5 | 5 | 100 |

GENERAL BODY MEETINGS

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

| Year | Location | Date & Time | Whether any Special Resolution Passed | Special Resolutions Passed in the AGM by Shareholders | Web link for webcast/transcripts |
|------|---|---------------------------------------|---------------------------------------|---|---|
| 2022 | Video Conferencing/ other audio-visual means. Deemed location is the Registered Office of the Company at Sona Enclave, Village Begumpur Khatola, Sector-35, Gurugram-122004 | July 14, 2022 at 12:00 noon (IST) | Yes | <ol style="list-style-type: none"> To approve the payment of remuneration to Mr. Sunjay Kapur (DIN: 00145529), Chairperson and Non- Executive Director of the Company for the Financial Year 2022-23. To approve the remuneration of Mr. Vivek Vikram Singh (DIN: 07698495), Managing Director and Group Chief Executive Officer of the Company. | https://sonacomstar.com/investor/investor-presentations |
| 2021 | Video Conferencing/ other audio-visual means. Deemed location is the Registered Office of the Company at Sona Enclave, Village Begumpur Khatola, Sector-35, Gurugram-122004 | September 9, 2021 at 12:00 noon (IST) | Yes | <ol style="list-style-type: none"> To approve the payment of remuneration to Mr. Sunjay Kapur (DIN: 00145529), Chairperson and Non- Executive Director of the Company for the Financial Year 2021-22. To approve the payment of remuneration or compensation to Non-Executive Directors (including Independent Directors) of the Company. To approve the payment of remuneration to Mr. Vivek Vikram Singh (DIN 07698495), Managing Director and Group CEO of the Company. | https://sonacomstar.com/investor/investor-presentations |
| 2020 | Sona Enclave, Village Begumpur Khatola, Sector 35, Gurugram-122004 | December 31, 2020 at 11:00 a.m (IST) | Yes | <ol style="list-style-type: none"> To increase borrowing powers of the board and authorisation limit to secure the borrowings under Section 180(1)(c) of the Companies, Act, 2013 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. | - |

No Special Resolution was passed through Postal Ballot during Financial Year 2022-23. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

PERFORMANCE EVALUATION

In terms of the requirement of the Act and the 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 approved the Policy for evaluation of the performance of the Board of Directors of the Company and the policy is based on “Guidance note on Performance Evaluation” issued by the SEBI on January 5, 2017.

In accordance with the evaluation criteria specified in the policy, the Nomination and Remuneration Committee have carried out performance of individual directors 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 March 24, 2023 reviewed the performance of non-independent directors, the board as a whole and Chairperson of the Company after considering 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 were 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 Chairperson of the Nomination and Remuneration Committee and Chairperson of the Board. The Board evaluation process was completed for the Financial Year 2022-23. 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.

Policies

In accordance with Company's philosophy of adhering to the highest standards of ethical business and corporate governance and to ensure fairness, accountability, responsibility and transparency to all stakeholders, the Company, *inter-alia*, has the following policies and codes in place. All the policies have been uploaded on the website of the Company.

| Name of the Policy | Website Link |
|--|---|
| Code of Conduct and Business Ethics | https://sonacomstar.com/files/policy/code-of-conduct-and-business-ethics-policy-yEZCTh.pdf |
| Risk Management Policy | https://sonacomstar.com/files/policy/risk-management-policy-policy-NTCFLh.pdf |
| Policy on Preservation of Documents | https://sonacomstar.com/files/policy/policy-on-prevention-of-documents-policy-tPw29X.pdf |
| Familiarisation Programme | https://sonacomstar.com/files/policy/familiarisation-programme-policy-bXLXH7.pdf |
| Policy on evaluation of performance of board of directors | https://sonacomstar.com/files/policy/policy-on-evaluation-of-performance-of-board-of-directors-policy-6W0NEP.pdf |
| Policy on Preservation and Utilisation of Stationery, Blank Security Certificates and Warrants | https://sonacomstar.com/files/policy/policy-on-preservation-and-utilization-of-stationery-blank-security-certificates-and-warrants-policy-wi5JWH.pdf |
| Code of conduct for Vendors | https://sonacomstar.com/files/policy/code-of-conduct-for-vendor-policy-ra1ALK.pdf |
| Prevention of Sexual Harrassment Policy | https://sonacomstar.com/files/policy/policy-posh-policy-policy-s7HWM2.pdf |
| Anti-Bribery and Corruption Compliance Policy | https://sonacomstar.com/files/policy/anti-corruption-policy-policy-rOc91h.pdf |
| Code of Conduct for Prevention of Insider Trading | https://sonacomstar.com/files/policy/code-of-conduct-for-prevention-of-insider-trading-policy-mHAWqS.pdf |
| Corporate Social Responsibility Policy | https://sonacomstar.com/files/policy/corporate-social-responsibility-policy-policy-K6JBXy.pdf |
| Whistle Blower Policy | https://sonacomstar.com/files/policy/whistle-blower-policy-policy-MUwqe2.pdf |
| Succession Planning Policy | https://sonacomstar.com/files/policy/succession-planning-policy-policy-SYOpD5.pdf |
| Policy on Related Party Transactions | https://sonacomstar.com/files/policy/policy-on-related-party-transactions-policy-UWODOU.pdf |
| Policy on Board Diversity | https://sonacomstar.com/files/policy/policy-on-board-diversity-policy-sKCWRQ.pdf |
| Policy for determining Material Subsidiaries | https://sonacomstar.com/files/policy/policy-for-determining-material-subsidiaries-policy-f3dEtf.pdf |
| Policy for determining Materiality | https://sonacomstar.com/files/policy/policy-for-determining-materiality-policy-0Db8qb.pdf |
| Nomination and Remuneration Policy | https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-GXCIWS.pdf |
| Fair Disclosure of Unpublished Price Sensitive Information | https://sonacomstar.com/files/policy/fair-disclosure-of-upsi-policy-yzFKhp.pdf |
| Dividend Distribution Policy | https://sonacomstar.com/files/policy/dividend-distribution-policy-policy-oW38wX.pdf |
| Code of Conduct Board and Senior Management | https://sonacomstar.com/files/policy/code-of-conduct-board-and-senior-management-policy-DISxoZ.pdf |
| Archival Policy | https://sonacomstar.com/files/policy/archival-policy-policy-d5uF7K.pdf |

NOMINATION AND REMUNERATION POLICY AND REMUNERATION PAID TO DIRECTORS

The Nomination and Remuneration Committee determines and recommends to the Board, the compensation payable to the Directors, Key Managerial Personnel ("KMP") and Senior Management. Compensation of directors is approved at the shareholders meeting. Remuneration for the Executive Directors and Senior Management comprises fixed component

and variable component, including stock options, which is governed by the ESOP Scheme of Sona, as approved by the shareholders or any other plans as may be amended.

The Nomination and Remuneration Committee makes a periodic appraisal of the performance of executive directors based on appropriate performance criteria. As required under the Listing Regulations effective April 1, 2019, the Nomination

and Remuneration Committee recommend to the Board the payment of remuneration to the Senior Management. The Nomination and Remuneration Policy of the Company is

available on our website, at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-GXCIWS.pdf>

Details of Remuneration paid to Directors and Key Managerial Personnel during the Financial Year 2022-23

1. Remuneration paid to Managing Director and Group Chief Executive Officer and the Key Managerial Personnel (KMP's) for the financial year ended 31st March 2023

Remuneration of the Managing Director & Group Chief Executive Officer and the KMP's are reviewed & recommended by NRC and approved by the Board of the Company.

The table below gives the remuneration paid to the Managing Director and Group Chief Executive Officer and the KMP's during the financial year ended 31st March 2023:

| Name of Managing Director/ KMP's | Vivek Vikram Singh (Managing Director & Group CEO) | | Rohit Nanda (Group CFO) | | Ajay Pratap Singh (Vice President (Legal), Company Secretary & Compliance Officer) | |
|-------------------------------------|--|--------------------|----------------------------|--------------|---|--------------|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Salary (including perquisites) | 20.41 | 21.70 [^] | 18.93 | 18.82 | 5.76 | 5.43 |
| Variable Pay | 11.21 | 8.71 | 6.29 | 4.82 | 2.14 | 1.47 |
| ESOP Perquisite Value | 93.00 [#] | 114.41 | 44.77 [*] | 61.85 | 12.53 [@] | 20.62 |
| Total | 124.62^{**} | 144.82 | 70.00 | 85.49 | 20.43 | 27.52 |

[^] Also includes additional perquisite value of car as per the policy of the Company.

[#] Mr. Vivek Vikram Singh has been granted 6,62,088 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 2,20,696 Options during the year under review, the perquisite value of which is INR 93 million.

^{*} Mr. Rohit Nanda has been granted 3,57,900 Options under Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company. Mr. Rohit Nanda has exercised 1,19,300 Options during the year under review, the perquisite value of which is INR 44.77 million. There was no increase in his remuneration during the year under review.

[@] Mr. Ajay Pratap Singh has been granted 1,19,304 Options under Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company. Mr. Ajay has exercised 28,768 Options during the year under review, the perquisite value of which is INR 12.53 million. There was an increase of 5% in his remuneration during the financial year.

^{**} There was no increase in remuneration of Mr. Vivek Vikram Singh during the financial year. The variation in remuneration for the year under review, in comparison to previous year, is mainly due to change in perquisite value of ESOP. The total remuneration is within the limit approved by the shareholders in the Annual General Meeting held on 14th July 2022.

2. Remuneration paid to the Non-Executive Directors for the Financial Year ended on March 31, 2023

The Shareholders of the Company at the AGM held on September 9, 2021, approved payment of remuneration not exceeding 3% of the net profits of the Company, calculated in accordance with Section 198 of the Act, to be paid to Non-Executive Directors in a manner as decided by the Board of Directors, not exceeding INR 70,000,000 (Indian Rupees Seventy million) for each financial year.

The Non-Executive and 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.

Detail of the remuneration paid to the Non- Executive Directors during the Financial Year 2022-23 is as follows:

| Directors | Sitting Fees | Commission [*] | (INR in million) |
|--------------------------------|--------------|-------------------------|------------------|
| | | | Total |
| Mr. Sunjay Kapur | - | 24 | 24.00 |
| Mr. Prasan Abhay Kumar Firodia | 0.65 | - | 0.65 |
| Mr. Amit Dixit | - | - | - |
| Mr. Ganesh Mani | - | - | - |
| Mr. B.V.R. Subbu | 1.75 | 2.25 | 4.00 |
| Mrs. Shradha Suri | 1.10 | - | 1.10 |
| Mr. Jeffrey Mark Overly | 2.3 | 5.9 | 8.20 |

^{*}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 September 9, 2021.

The Company does understand that it is important to remunerate the independent directors well to get optimum benefit of their wisdom, experience and expertise for the benefit of all the stakeholders of the Company.

The commissions paid to the Non-Executive Directors is in accordance with the applicable laws and with the approval of the shareholders.

During the year under review, the Company did not grant any loans to any of its directors. 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 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 March 31, 2023. The

Company has not granted any stock option to its non-executive directors.

In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Senior Management personnel have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, save and except as stated in clause 14 of the Director's Report.

From the good Corporate Governance and industry practices, the Board of Directors on the recommendation of the Nomination and Remuneration Committee in its meeting held on 3rd May, 2023 has revised the Commission payable to the Independent Directors of Company with effect from 1st April, 2023, which is within the limit of remuneration approved by the shareholders in the 25th Annual General Meeting of the Company held on 9th September, 2021:

| Name of the Director | Designation | Existing Commission (inclusive of sitting fees) paid annually | Proposed amount of Commission (excluding of sitting fees) paid annually |
|-------------------------------|------------------------------------|---|---|
| Mr. B.V.R Subbu | Non-Executive Independent Director | INR 4,000,000 | INR 5,500,000 |
| Mr. Prasan Abhaykumar Firodia | Non-Executive Independent Director | - | INR 5,500,000 |
| Mr. Jeffrey Mark Overly | Non-Executive Independent Director | USD 100,000 | USD 100,000 |
| Mrs. Shradha Suri | Non-Executive Independent Director | - | INR 5,500,000 |

Further, the Board of Directors on the recommendation of the Nomination and Remuneration Committee in its meeting held on 3rd May, 2023 has revised the sitting fees to: a) INR 25,000 for attending each meeting of the Board; (b) INR 10,000 for attending each meeting of other Committees of the Board of the Company, for Independent Directors of the Company with effect from 1st April, 2023.

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 for governance matters.

CEO & CFO CERTIFICATION

The Managing Director & Group CEO and the Group Chief Financial Officer ('CFO') of the Company are required to provide a compliance certificate to the Board of Directors in terms of Regulation 17(8) of Listing Regulations, copy of which was placed before the Board of Directors in their meeting held on May 3, 2023 and is annexed as **Annexure-I** of this Report.

MEANS OF COMMUNICATION

The Company recognizes the importance of communication with Shareholders and promptly discloses information on material corporate developments and other events as required under the Listing Regulations. 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.

| | |
|--|--|
| Publication of Financials Results | <p>Quarterly, half-yearly and annual financial results are published in 'Business Standard' in English language (all editions) and in Hindi language (Delhi edition).</p> <p>Further, the Company as a good corporate governance practice sends out the financial results of every quarter to its shareholders, whose email-ids are registered with their Depository Participant/ Registrar and Share Transfer Agent ("RTA") of the Company.</p> |
| Website | <p>The Company's website www.sonacomstar.com contains a dedicated segment called 'Investors' where all information needed by members is available. Further, as per the requirement of National Stock Exchange of India Limited and BSE Limited, the Company has a separate sub tab under Investor i.e. "Disclosure under Regulations 46 of Listing Regulations", where the Company disclose information required under Regulations 46 of the Listing Regulations.</p> <p>The website, <i>inter-alia</i>, also displays information regarding schedule of analyst or institutional investor meet, presentation made to media/ analysts/ institutional investors, transcript & recording of earnings calls, press releases, investors FAQ, shareholder's satisfaction survey, Sustainability Report, CSR details, 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 https://sonacomstar.com/investor/newspaper-notice |
| 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 (including Digital Portal of NSE). |
| Annual Report and AGM Notices | In our endeavour to protect the environment, the Company sent the Annual Report and AGM notices for the year 2021- 22 through e-mails to those members who had registered their e-mail ids with either their depository participant (" DP ") or the Registrar & Transfer Agent (" RTA ") or the Company. This helped the Company in saving a significant cost towards printing and dispatch of Annual report and AGM Notice. |
| Exclusive e-mail id's for investors | Following e-mail ids have been exclusively dedicated for the investors' queries: investor@sonacomstar.com and inward.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 transposition of shares, dematerialisation/ rematerialisation, KYC updation, 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 have 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. |
| Reminder emails | Reminders are, <i>inter-alia</i> , sent to shareholders for registering their PAN, KYC & nomination details and unclaimed dividend thereto. |
| Analysts Presentation | <p>The presentations on performance of the Company are placed on the Company's website at https://sonacomstar.com/investor/investor-presentations for the benefit of the institutional investors, analysts and other shareholders immediately after the conclusion of investors call for the financial results.</p> <p>The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company.</p> <p>The Company also uploaded on its website transcript and audio recordings of the analyst meet on a regular basis.</p> |

GENERAL SHAREHODLER'S INFORMATION

| | |
|---|--|
| 1. Date, time and venue of the Annual General Meeting | Wednesday, July 19, 2023 at 12:00 Noon (IST) through video conferencing (VC) / other audio-visual means (OAVM). |
| 2. Financial Year | Financial Year of the Company is from April 1, 2022 to March 31, 2023. |
| 3. Dividend payment | <p>The Board of Directors in its meeting held on January 24, 2023 has declared an interim dividend of INR 1.28 per equity share of the Company having face value of INR 10 each to those shareholders whose names appear in the register of members / beneficial owners on February 6, 2023. The dividend was paid on February 20, 2023 directly to the bank accounts of members wherever the particulars were available and the Demand Draft were dispatched to those shareholders, whose bank details were not available with the Company or their depository.</p> <p>The Board of Directors at their meeting held on May 3, 2023 has recommended payment of INR 1.53 per Equity Share of the Company having face value of INR 10 each as final dividend for the Financial Year ended 31st March, 2023 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 Friday, June 30, 2023. 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 are listed on the following exchanges w.e.f. June 24, 2021:</p> <ol style="list-style-type: none"> 1. BSE Limited (BSE) Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001; and 2. National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 <p>The Company has paid the Annual listing fees to both above mentioned Stock Exchanges for FY 2023-24.</p> |
| 5. Stock Code/Symbol | <p>BSE Scrip Code: 543300</p> <p>NSE Symbol: SONACOMS</p> <p>ISIN: INE073K01018</p> |

6. Market price data- high, low during each month in last Financial Year

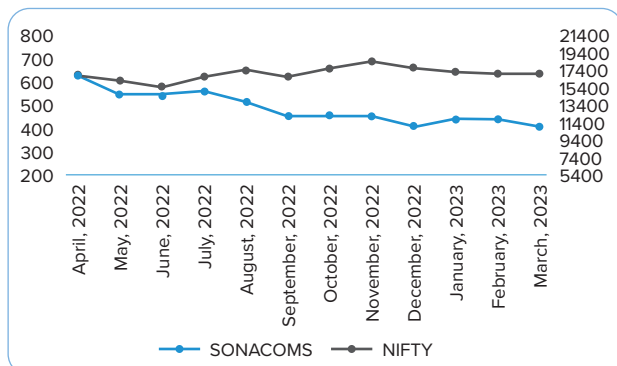
The Equity Shares of the Company have been listed on the BSE Limited and National Stock Exchanges of India Limited and below table provide the monthly high and low prices of the Company's equity shares on BSE and NSE for the Financial Year 2022-23:

| Month | BSE | | NSE | |
|-----------------|------------|-----------|------------|-----------|
| | High (INR) | Low (INR) | High (INR) | Low (INR) |
| April, 2022 | 688.00 | 610.50 | 688.00 | 610.90 |
| May, 2022 | 640.15 | 519.95 | 639.80 | 519.05 |
| June, 2022 | 608.70 | 537.10 | 608.20 | 536.50 |
| July, 2022 | 586.20 | 546.05 | 586.80 | 545.90 |
| August, 2022 | 607.65 | 505.00 | 607.00 | 507.20 |
| September, 2022 | 548.25 | 455.35 | 548.40 | 455.25 |
| October, 2022 | 496.95 | 453.05 | 497.05 | 453.00 |
| November, 2022 | 485.95 | 426.45 | 485.90 | 426.30 |
| December, 2022 | 483.35 | 397.35 | 483.55 | 398.05 |
| January, 2023 | 464.45 | 407.30 | 464.85 | 407.10 |
| February, 2023 | 477.85 | 440.75 | 477.90 | 438.00 |
| March, 2023 | 466.50 | 401.10 | 466.55 | 401.10 |

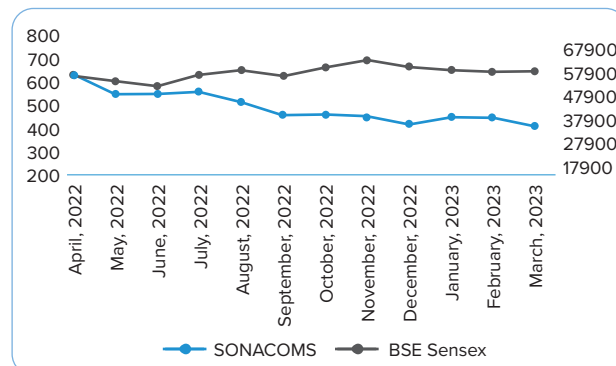
7. Stock performance in comparison to broad-based indices

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 March 31, 2023 (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

10. Share Transfer System

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

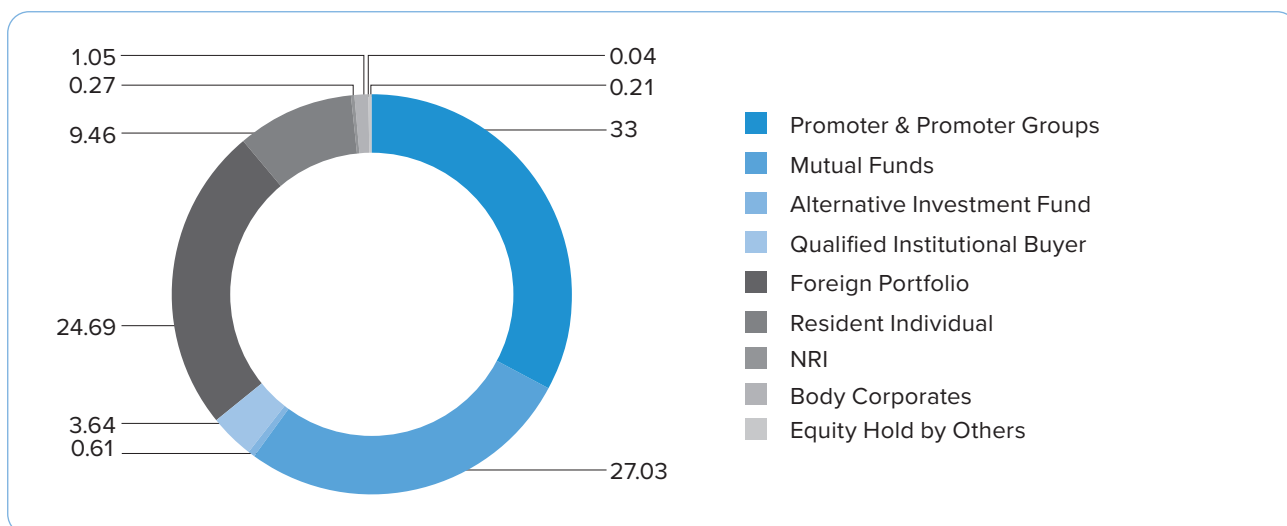
11. Category of shareholding as on March 31, 2023

| S. No. | Shareholders' Category | No. of Shareholders | Total Shares | % Equity |
|--------|-------------------------------|---------------------|---------------------|------------|
| 1. | Promoter & Promoter Groups | 6 | 19,32,10,655 | 33.00 |
| 2. | Mutual Funds | 20 | 15,82,37,608 | 27.03 |
| 3. | Alternative Investment Fund | 16 | 35,89,097 | 0.61 |
| 4. | Qualified Institutional Buyer | 12 | 2,12,84,509 | 3.64 |
| 5. | Foreign Portfolio Investors | 201 | 14,45,64,746 | 24.69 |
| 6. | Resident Individual | 4,70,955 | 5,53,61,646 | 9.46 |
| 7. | NRI | 4,099 | 15,87,145 | 0.27 |
| 8. | Body Corporates | 1,428 | 61,61,528 | 1.05 |
| 9. | HUF | 5,716 | 12,02,284 | 0.21 |
| 10. | Others | 64 | 2,05,364 | 0.04 |
| | Total | 4,82,517 | 58,54,04,582 | 100 |

The Stakeholders Relationship Committee meets every quarter to, *inter-alia*, consider and attend to Shareholders' grievances and took note of the compliance report of RTA etc.

Pursuant to Regulation 40 of Listing Regulations, no requests for effecting transfer of securities have been processed unless the securities are held in the dematerialised form with the depository with effect from April 1, 2019. However, this restriction shall not be applicable to request received for effecting transmission or transposition of physical shares. Further, SEBI vide its Circular dated January 25, 2022, has mandated that securities shall be issued only in dematerialized mode while processing duplicate/unclaimed suspense/ renewal /exchange / endorsement /sub-division/ consolidation/ transmission/transposition service requests received from physical securities holders.

Shareholders Category



12. Shareholders holding more than 1% of the shares as on 31st March, 2023

The details of shareholders (other than promoters and promoter group) holding more than 1% of the equity share of the Company as on March 31, 2023 are as follows:

| S. No. | Name of the shareholder(s) | No. of shares | % (percentage of holding) |
|--------------|---|---------------------|---------------------------|
| 1. | Axis mutual fund trustee limited | 3,68,16,647 | 6.29 |
| 2. | SBI Mutual Fund | 3,48,44,885 | 5.95 |
| 3. | Mirae Mutual Fund | 3,36,85,443 | 5.75 |
| 4. | Government of Singapore | 3,13,42,849 | 5.35 |
| 5. | Aditya Birla sun life trustee private limited | 1,27,33,715 | 2.18 |
| 6. | Canara Robeco mutual fund | 85,08,581 | 1.45 |
| 7. | ICICI prudential life insurance company limited | 76,28,794 | 1.30 |
| 8. | Fidelity funds - sustainable asia equity fund | 75,89,644 | 1.30 |
| 9. | BNP Paribas arbitrage | 73,91,194 | 1.26 |
| 10. | Monetary authority of Singapore | 73,02,053 | 1.25 |
| 11. | Sundaram mutual fund | 71,61,087 | 1.22 |
| 12. | HDFC mutual fund | 66,18,609 | 1.13 |
| 13. | Societe Generale | 60,85,533 | 1.04 |
| Total | | 20,77,09,034 | 35.47 |

13. Dematerialisation of Shares and Liquidity

As on 31st March, 2023, 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.

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the Company's equity shares are frequently traded on both the stock exchanges.

Lock in details of the equity share capital of the Company as on 31st March, 2023 are as follows:

| S. No. | Name of Shareholder(s) | Category | No. of equity shares | Lock-in Release Date |
|--------------|-----------------------------------|----------|----------------------|----------------------|
| 1. | Aureus Investment Private Limited | Promoter | 11,66,57,968 | 21.06.2024 |
| Total | | | 11,66,57,968 | |

14. Outstanding GDRs/ADRs/warrants or any convertible instruments conversion date and likely impact on equity

Not Applicable

to hedge certain of our foreign currency exchange risks relating to our business.

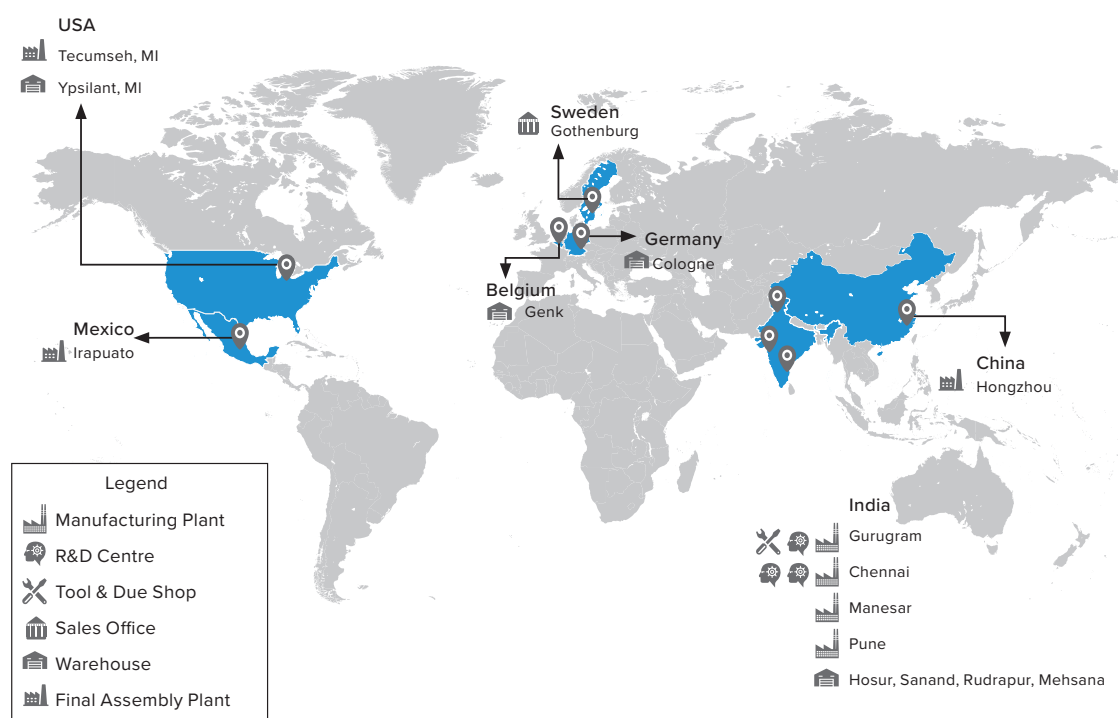
15. Commodity price risk or foreign exchange risk and hedging activities

Your Company operate internationally and a large portion of the business is transacted mainly in US\$. 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

16. 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 Gurugram, 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 2023.



Detailed address of each of the Plant of the Company and its subsidiaries are as follows;

Gurugram Plants

Unit I, II and III

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

Manesar Plant

Plot No -13, Sector 2, IMT Manesar Gurugram (Haryana)
– 122 051, INDIA

Pune Plant

A-78/2, MIDC, Chakan Industrial Phase- 2, Wasuli, Pune
– 410 501, 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

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

Logistica Integral del Bajio Bodega 1 and 3 of Irapuato
No. 204, cornet 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

17. Address for correspondence

Shareholders may correspond with the Registrar and
Transfer Agent 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 email 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,
Gurugram, 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, the Institutional Investor(s) can contact to Mr. Amit Mishra, Head Investor Relations of the Company for any grievances at;

Mr. Amit Mishra

Sona BLW Precision Forgings Limited

Sona Enclave Village, Begumpur Khatola, Sector 35,
Gurugram, 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

18. 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 2022-23, 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 abroad. The credit rating of the Company can be accessed at <https://sonacomstar.com/investor/credit-rating>

Other Disclosures

The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Related Party Transaction

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were in the ordinary course of business and at arm's length basis. Prior omnibus approval is obtained for the recurring transactions with the related parties and the unforeseen related party transactions which would be in the ordinary course of business and on an arm's length basis.

The Company did not enter into any material related party transactions. The details of the related party transactions are set out in the notes to financial statements forming part of this Annual Report. Further, the related party

transactions undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations.

The Audit Committee reviews at least on a quarterly basis, the details of related party transactions, entered into by the Company pursuant to the omnibus approval granted. The Audit Committee, during the Financial Year 2022-23, has approved related party transactions along with granting omnibus approval in line with the Policy on related party transactions and the applicable provisions of the Act read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

During the year, no materially significant transaction was entered into by the Company with its related parties that may have a potential conflict with the interests of the Company.

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 Chairperson and CEO

Your Company has separate post of Chairperson and CEO. Mr. Sunjay Kapur is the Chairperson and Non- Executive Director of the Company, 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.

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

Vigil Mechanism/Whistle Blower Policy

Your 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.

Policy on Board Diversity

The Nomination and Remuneration Committee has framed a policy for Board Diversity which lays down the criteria for appointment of Directors on the Board of your Company and guides organisation's approach to Board Diversity.

Your Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, race and gender, which will ensure that the Company retains its competitive advantage. The Company further believes that a diverse Board will contribute towards driving business results, make corporate governance more effective, enhance quality and responsible decision-making capability, ensure sustainable development and enhance the reputation of the Company.

The Board of Directors is responsible for review of the policy from time to time. The policy on Board Diversity has been placed on the Company's website at <https://sonacomstar.com/files/policy/policy-on-board-diversity-policy-sKCWRQ.pdf>

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.

Material Subsidiaries

The Company does not have any material subsidiary company in terms of Regulation 16 of the Listing Regulations. The synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of the Company on quarterly basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of the Company.

The management periodically brings to the notice of the Audit Committee and the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiaries, if any.

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 pass through arrangement for steel and steel alloys in case of differential gears and differential assemblies and copper in case of starter motors. Aluminium price pass through 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 Subsidiaries of the Listed Entity

The details of Subsidiaries of the Company are given below:

| S. No. | Name of the Subsidiaries | Place of Incorporation | Date of Incorporation | Statutory Auditors |
|--------|---|--------------------------|-----------------------|--|
| 1 | Comstar Automotive Technologies Services Private Limited | India | 12.11.2012 | Walker Chandiok & Co LLP |
| 2 | Sona Comstar eDrive Private Limited | India | 12.11.2020 | Walker Chandiok & Co LLP |
| 3 | Comstar Automotive USA LLC | Unites States of America | 09.10.2012 | Moss, Krusick and Associates LLC |
| 4 | Comstar Automotive Hongkong Limited | Hong Kong | 21.05.2015 | Grant Thornton Hong Kong Limited |
| 5 | Comestel Automotive Technologies Mexicana Ltd | Hong Kong | 09.10.2017 | Grant Thornton Hong Kong Limited |
| 6 | Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V | Mexico | 17.01.2017 | Salles Sainz-Grant Thornton, S.C |
| 7 | Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V; | Mexico | 17.01.2017 | Salles Sainz-Grant Thornton, S.C |
| 8 | Comstar Automotive (Hangzhou) Co. Ltd | China | 27.08.2015 | Grant Thornton Zhitong Certified Public Accountant LLP |
| 9 | Comstar Hong Kong Mexico No. 1, LLC (dormant) | USA | 01.12.2016 | NA (Dormant Status) |

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 M/s. 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-J** to this report.

Acceptance of Recommendation of Board Committees

During the Financial Year 2022-23, 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 Entities | Relationship with the Company | Details of Services | Amount (INR in million) |
|--------------|---|-------------------------------|--|-------------------------|
| 1 | Sona BLW Precision Forgings Limited | Company | Statutory Audit & Certification fees | 11.97 |
| 2 | Comstar Automotive Technologies Services Private Limited | Subsidiary | Statutory Audit & compliance services Fees | 0.35 |
| 3 | Sona Comstar eDrive Private Limited | Subsidiary | Statutory Audit & certification Fees | 0.05 |
| 4 | Comstar Automotive USA LLC | Subsidiary | Audit Fee, Inventory Observation & Income tax returns Fees | 1.05 |
| 5 | Comstar Automotive Hongkong Limited | Subsidiary | Statutory Audit | 0.04 |
| 6 | Comestel Automotive Technologies Mexicana | Subsidiary | Statutory Audit | 0.66 |
| 7 | Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V | Subsidiary | Statutory Audit | 0.74 |
| 8 | Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V; | Subsidiary | Statutory Audit | 0.78 |
| 9 | Comstar Automotive (Hangzhou) Co. Ltd | Subsidiary | Statutory Audit | 1.46 |
| Total | | | | 17.10 |

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 2022-23

- a. number of complaints received during the Financial Year: **None**
- b. number of complaints disposed of during the Financial Year: **None**
- c. 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 2022-23, 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 of part E of Schedule II to Listing Regulations and Mr. Sunjay Kapur, Chairperson and 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-K

Disclosures with respect to demat suspense account/ unclaimed suspense account

As on March 31, 2023, no equity share of the Company was in the **demat suspense account/ unclaimed suspense account** of the Company.

Details of Unclaimed Dividend

The Company has sent the physical reminder letters to all those shareholders, who have not claimed their interim/ final dividend till November 30, 2022, at their registered address with the Company/Depository Participants on December 22, 2022.

Further, the Company as a good corporate governance practice has sending the financial results of every quarter to the shareholders of the Company, whose email id are registered with the Company/Depository Participants (DPs) and also informed them to update their contact and bank details with their DPs, for timely receipt of dividend amount and communications from the Company. The detail of Unclaimed 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 - B1

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

1. 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 and Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2022-23:

| S. No. | Name of the Directors and KMPs | Designation | Remuneration (INR in million) | Ratio of Remuneration of Directors to the Median Remuneration of employees | % increase of remuneration in financial year 2022-23- |
|--------|--------------------------------|--|-------------------------------|--|---|
| 1. | Sunjay Kapur | Chairperson and Non-Executive Nominee Director | 24 | 27.91 | - |
| 2. | Amit Dixit | Non-Executive Nominee Director | - | - | - |
| 3. | Ganesh Mani | Non-Executive Nominee Director | - | - | - |
| 4. | Prasan Abhaykumar Firodia | Independent Director | 0.65 | 0.76 | - |
| 5. | B.V.R Subbu | Independent Director | 4.00# | 4.65 | - |
| 6. | Shradha Suri | Independent Director | 1.10 | 1.28 | - |
| 7. | Jeffrey Mark Overly | Independent Director | 8.20# | 9.53 | - |
| 8. | Vivek Vikram Singh | Managing Director and Group Chief Executive Officer | 124.62* | 144.91 | Nil |
| 9. | Mr. Rohit Nanda | Group CFO & Chief Risk Officer | 70.00^ | 81.40 | Nil |
| 10. | Mr. Ajay Pratap Singh | Vice President (Legal), Company Secretary and Compliance Officer | 20.43@ | 23.76 | 5% |

~While calculating the percentage increase in remuneration, the perquisites value of ESOPs is not considered.

Includes sitting fees and commission for the Financial Year 2022-23.

*Includes perquisite value of INR 93 million on account of exercise of 220,696 Options during the year under review under the Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company.

^Includes perquisite value of INR 44.77 million on account of exercise of 1,19,300 Options during the year under review under the Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company.

@Includes perquisite value of INR 12.53 million on account of exercise of 28,768 Options during the year under review under the Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company.

2. The percentage increase in the median remuneration of employees in the Financial year 2022-23:

| Median remuneration of previous year 2021-22 (INR in million) | Median remuneration of current year 2022-23 (INR in million) | % increase# |
|---|--|-------------|
| 0.82 | 0.86 | 4.88% |

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

3. The number of permanent employees on the roll of the Company as on March 31, 2023:

1315 employees

4. Average percentile increase 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 Key Managerial Personnel | 1.67% |
| 2. | Increase in salary of employee (other than Managerial Personnel) | 11.82% |

*Includes only increase in the Salary

The average annual increase in the salaries of employees is based on Key Performance Indicators (**KPI'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.

Variable pay is calculated on a combination of individual performance based on defined KPI's and Company's performance.

5. 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: Gurugram
Date: 3rd May, 2023

Sunjay Kapur
Chairperson and Non-Executive Director
DIN:00145529

Annexure - B2

Information pursuant to Section 197(12) read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended 31st March, 2023.

I. Details of the Employees Employed for Full Year:

| S. No. | Name | Designation | Remuneration* Received (INR in million) | Nature of Employment (Contractual or otherwise) | Qualification | Experience in years | Age in years | Date of commencement of employment | Last employment held by the employee before joining the Company | Percentage Of equity shares held by the employee in the Company |
|--------|----------------------------|--|---|---|---|---------------------|--------------|------------------------------------|---|---|
| 1. | Mr. Vivek Vikram Singh | Managing Director & Group Chief Executive Officer | 124.62 | Permanent | Bachelor's degree in technology (computer science and engineering) from HBTI, Kanpur and a post graduate diploma in Management from the Indian Institute of Management, Ahmedabad | 17 | 44 | 1 st July, 2016 | JTEKT India Ltd. | 0.038% |
| 2. | Mr. Vikram Verma Vadapalli | Chief Executive Officer | 88.96 | Permanent | Bachelor's degree of technology in Mechanical Engineering- Karnataka Regional Engineering College, Surathkal | 41 | 63 | 1 st April, 2007 | JTEKT India Ltd. | 0.041% |
| 3 | Mr. Sat Mohan Gupta | Chief Executive Officer | 87.30 | Permanent | M.com and member of CMA | 39 | 61 | 10 th November, 1997 | Daewoo Motor India Ltd | 0.036% |
| 4. | Mr. Rohit Nanda | Group Chief Financial Officer & Group Chief Risk Officer | 70.00 | Permanent | B.Com and Chartered Accountant | 27 | 50 | 11 th April, 2019 | Usha Martin Ltd. | 0.011% |
| 5. | Mr. Kiran Manohar Deshmukh | Group Chief Technology Officer | 26.85 | Permanent | Bachelor's degree of technology in metallurgical engineering from the Indian Institute of Technology, Bombay | 47 | 69 | 1 st July, 2019 | SKAP Forging Private Limited | 0.005% |
| 6. | Mr. Ranganathan Balaji | Chief Operating Officer | 25.82 | Permanent | B Tech & Post Graduate Diploma in International Business from IIFT. | 34 | 54 | 1 st April, 2017 | JTEKT India Ltd. | 0.008% |
| 7. | Mr. Ajay Pratap Singh | Vice President (Legal), Company Secretary & Compliance Officer | 20.43 | Permanent | LLB from University of Delhi, Company Secretary and Certificate in Competition Law from IICA, New Delhi | 22 | 48 | 24 th February, 2020 | Hindustan Construction Company Limited, Mumbai | 0.001% |
| 8. | Mr. Praveen Chakrapani Rao | Senior Vice-President- R & D Management | 19.33 | Permanent | BE and MS | 31 | 53 | 8 th February, 1998 | TACO VISTEON | 0.004% |
| 9. | Mr. Vaithiyanathan M | Senior Vice President- Operations | 15.6 | Permanent | B.TECH, MBA, PGDMM | 32 | 56 | 20 th November, 2007 | LUCAS TVS LTD | 0.002% |
| 10. | Mr. Muruganandam R | Vice President-R & D Management | 14.55 | Permanent | BE (ECE), MS (Electro. & Ctrls) | 34 | 56 | 9 th July, 1999 | LTM LTD CHENNAI (L&T -MCNEIL LTD) | 0.004% |

*Includes perquisite value on account of exercise of Options under the Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company.

Notes: No employee is a relative of any Director of the Company. There is no employee employed for the part of the year within the prescribed threshold.

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

Surjay Kapur
Chairperson and Non-Executive Director
DIN: 00145529

Place: Gurugram
Date: May 03, 2023

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 2023, 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 2023.

For and on behalf of the Board of Directors

Place: Gurugram
Date: May 3, 2023

Sunjay Kapur
(Chairperson and Non-Executive Director)

FORM NO. MR - 3

DRAFT SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014

To,

The Members,

SONA BLW Precision Forgings Limited
L27300HR1995PLC083037

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 (Hereinafter called "the Company")**. The 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 for the financial year ended on March 31st, 2023 ("**Audit Period**"). The Company is engaged in the business of manufacturing of automobile parts, components, assemblies and accessories. The Company is listed on National Stock Exchange of India Limited and BSE Limited

Limitation of the Auditors

- (i) Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and
- (ii) Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors Responsibility

- (i) Our responsibility is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit ("**Guidance Note**") and Auditing Standards issued by the Institute of Company Secretaries of India ("**ICSI**"). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- (ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an

unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

- (iii) Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanism exist in the Company to assess any material weakness and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor's judgement, including assessment of the risk of material non-compliance whether due to error or fraud.
- (iv) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Board processes and compliance mechanism.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period, 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;
(Not Applicable during the year under review)

- 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 during the year under review)**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the year under review)**
- h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; **(Not Applicable during the year under review)**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and
- j. The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018.

It is further reported that with respect to the compliance of other applicable laws, we have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc.) and as informed to us, there are no laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the ICSI wherein the Company is generally complying with the standards; and
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) and Listing Regulations

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

We further report that:

- (i) The Board of Directors of the Company was duly constituted with proper balance of Executive Director(s), Non-Executive Directors and Independent Directors during the Audit Period. There were no changes that took

place in the composition of the Board of Directors during the Audit Period.

- (ii) Further, the composition of all statutory committee(s) was also in compliance with the Act and applicable Rules and Regulations.
- (iii) Adequate notice was given to all directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except where meeting(s) was held on shorter notice 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.
- (iv) The majority of decisions were carried through and there were no instances where any director expressed any dissenting views.

We further report that in our opinion, the Company has, in all material respects, adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that except in the normal course of business there was a following event occurred in the Company having major bearing on the Company's affairs during the audit period.

- a. The Board of Directors in its meeting held on January 09, 2023 had approved the acquisition of 54% stake in Novelic d.o.o. Beograd – Zvezdara, a Serbia based Company which is a self-sustaining provider of mmWave radar sensors, perception solutions, and full-stack embedded systems.

For **PI & Associates**,
Company Secretaries

Nitesh Latwal
Partner

ACS No.: 32109
CP No.: 16276

Place: New Delhi
Date: May 03, 2023

Peer Review No.: 1498/2021
UDIN: A032109E000272461

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:

- (i) 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.
- (ii) 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 sampling 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.
- (iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
- (v) The compliance of the provisions of corporate and other sector specific laws as applicable on the Company, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on sampling basis.
- (vi) 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.: 32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109E000272461

Place: New Delhi
Date: May 03, 2023

Annual Report on CSR activities to be included in the Board's Report for Financial Year 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 ("Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1 A BRIEF OUTLINE ON 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, promoting technology and innovation and benefiting armed forces veterans and their dependents etc.

The Corporate Social Responsibility Policy (**Policy**) of the Company, as approved by the Board of Directors, is available on the Company's website at <https://sonacomstar.com/files/policy/corporate-social-responsibility-policy-policy-K6JBXy.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, 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 Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule VII thereto.

Your Company's CSR interventions consist of six 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; (IV) Sona Comstar-Saksham Bharat; (V) Sona Comstar-Swachh Bharat Program; and (VI) Sona Comstar-Stree Shakti Bharat Program.** 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:

- supporting projects that promote innovations, incubations in mobility solutions aimed at reducing dependence on fossil fuels;
- collaborating and contributing to programmes launched by universities and institutions of eminence to promote innovation driven startups in technology;
- supporting projects and research programs to combat air pollution through a collaborative, constructive and solution-oriented approach including the menace of stubble burning.

(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;
- supporting health awareness programmes, camps and events;
- supporting in development of infrastructure in health care centers, hospital and dispensaries;
- supporting to specific projects/programmes dedicated to women & child health care and nutrition;
- co-ordinating and supporting the agencies in management of disaster, epidemic, pandemics including relief, rehabilitation and reconstruction and developmental activities.

(III) Sona Comstar-Surakshit Bharat Program

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

- measures for the benefit of armed forces veterans, war widows and their dependents;
- supporting organisations working for families of martyrs, war widows, disabled soldiers and their children and dependents of the armed forces.

(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;

- supporting 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 recognized 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.;
- supporting 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;
- supporting in setting up of 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.

(V) Sona Comstar-Swachh Bharat Program

Swachh Bharat Program shall focus on environmental sustainability, conservation of natural resources and ecological balance through measures like:

- supporting organisations working for conserving nature, wilderness preservation and combating degradation of the environment;
- promoting sanitation including clean drinking water facilities to the schools set up by the Government and local bodies;
- supporting environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga).

(VI) Sona Comstar-Stree Shakti Bharat Program

Stree Shakti Bharat program shall focus on women empowerment through measures like:

- promoting education, employment which enhances vocational skills especially for women;
- promote gender equality, setting up of homes and hostels for women and orphans;
- empowering women through self help groups and promotion of livelihood and employment opportunities;
- any other measures taken to empower women.

(VII) 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 | - |
| 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. WEB-LINK(S) 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://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/policy/corporate-social-responsibility-policy-policy-K6JBXy.pdf |
| CSR projects approved by the Board | The Board, based on the recommendation of the CSR committee, at its meeting held on May 3, 2023, has approved the annual action plan / projects for Financial Year 2023-24, the details of which are available on our website, at https://sonacomstar.com/investor/corporate-social-responsibilities |

4. EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE:

Your Company has voluntarily engaged a third party independent agency M/s In Govern Research Services Private Limited and Bluesky Sustainable Business LLP to carry out Impact Assessment for the following five CSR projects completed in the Financial Year 2022-23:

- Sona-Comstar – IIT-Delhi Innovation in Mobility Program-“Incubators FY 2023”.
- Construction/renovation and maintenance of basic infrastructure in Govt. Higher Secondary School.
- Sona Comstar scholarship to scholars of Ashoka University.
- Contribution to Centre for Innovation Incubation and Entrepreneurship Building (CIIE Initiatives, IIM-A).
- Renovation of classrooms, installation of Solar Plant, Digital Smart Classes, renovation of water cooler rooms, and installation of Water Purifier in Govt. School in Gurugram.

As per MCA General Circular No. 14/2021 dated August 25, 2021, on FAQs on CSR, it is clarified that web-link to access the complete impact assessment reports and providing executive summary of the impact assessment reports in the annual report on CSR, shall be considered

as sufficient compliance of Rule 8(3)(b) of the Companies (CSR Policy) Rules, 2014.

Accordingly, the Impact Assessment Reports of the CSR Projects carried out, for the Financial year 2022-23, is attached as **Annexure-L** and can be accessed at <https://sonacomstar.com/files/documents/csr-impact-assessment-report-fy2022-23-document-LrurBI.pdf>

5. (a) Average net profit of the Company as per section 135(5) of Companies Act, 2013

Average net profit of the Company for last three financial years is INR 2,108,646,967

(b) Two percent of average net profit of the Company as per section 135(5) of Companies Act, 2013

Two percent of average net profit of the Company is INR 42,172,940.

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.

Nil

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

Nil

(e) Total CSR obligation for the financial year (5b+5d)

INR 42,172,940.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 27,817,295

i. 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) | (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. State District | Project duration. | *Amount allocated for the project (in INR) | Amount spent in the current financial Year (in INR) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency CSR Name Registration number |
| 1. | Sona-Comstar – IIT-Delhi Innovation in Mobility Program-“Incubators FY 2023” | (ix) | No | Delhi South Delhi | 3 years | 8,000,000 | - | 8,000,000 | Yes | - - |
| 2. | Construction/ renovation and maintenance of basic infrastructure in Govt. Higher Secondary School | (ii) | Yes | Tamil Nadu Chunampet | 2 years | 10,770,000 | 7,218,297 | 3,551,703 | Yes | - - |
| 3. | Contribution to Centre for Innovation Incubation and Entrepreneurship Building (CIIE Initiatives, IIM-A) | (ii) | No | GujaratAhemdabad | 4 years | 11,000,000 | 11,000,000 | - | Yes | - - |
| Total | | | | | | 29,770,000 | 18,218,297 | 11,551,703 | | |

ii. Details of CSR amount spent against 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) | Location of the project. | | Amount spent for the project (in INR) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| | | | | | | | | | |
| 1. | Sona Comstar scholarship to scholars of Ashoka University | (ii) | No | Haryana | Sonipat | 7,759,000 | Yes | - | - |
| 2. | Renovation of classrooms, installation of Solar Plant, Digital Smart Classes, renovation of water cooler rooms, and installation of Water Purifier in Govt. School in Gurugram | (ii) | Yes | Haryana | Narsingpur | 1,739,998 | Yes | - | - |
| 3. | Distribution of National Flags- Har Ghar Tiranga | (ii) | Yes | Haryana | Narsingpur | 100,000 | Yes | | |
| TOTAL | | | | | | 9,598,998 | | | |

(b) Amount spent in Administrative Overheads: INR 2,108,647**(c) Amount spent on Impact Assessment, if applicable:** INR 708,000**(d) Total amount spent for the Financial Year (6a+6b+6c):** INR 30,633,942**(e) CSR amount spent or unspent for the Financial Year:**

| Total amount spent for the Financial Year (in INR) | Amount Unspent (in INR) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total amount transferred to Unspent CSR Account as per sub-section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 | | |
| | Amount. | Date of transfer | Name of the Fund | Amount | Date of transfer |
| *30,633,942 | 11,551,703 | 24 April, 2023 | NA | NA | NA |

* The amount spent includes the administrative expenses and the amount spent towards conduct of impact assessment.

(f) Excess amount for set off, if any:

| S. No. | Particular | Amount (in INR) |
|--------|--|-----------------|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per section 135(5) (calculated for 3 preceding Financial Years i.e. FY 2019-20, FY 2020-21 and FY 2021-22) | 42,172,940 |
| (ii) | Total amount spent for the Financial Year 2022-23 | 30,633,942 |
| (iii) | Excess amount spent for the financial year 2022-23 [(ii)-(i)] | Nil |
| (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 |

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---------|-----------------------------|--|--|---|---|------------------|--|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in INR) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR) | Amount spent in the Financial Year (in INR) | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5), if any | | Amount remaining to be spent in succeeding Financial Years. (in INR) | Deficiency, if any |
| | | | | | Amount (in INR) | Date of transfer | | |
| 1. | FY-1-2020-21 | *15,000,000 | 1,520,000 | 1,520,000 | NA | NA | - | |
| 2. | FY-2-2021-22 | 15,000,000 | 15,000,000 | 10,950,000 | NA | NA | 4,050,000 | |

* Out of the total unspent CSR amount for the financial year 2020-2021, INR 10.00 million was transferred by Comstar Automotive Technologies Private Limited, an erstwhile wholly owned subsidiary of the Company which was merged with the Company w.e.f January 28, 2021 and INR 5 million was transferred by the Company to their respective Unspent CSR Account on April 17, 2021.

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

No

If Yes, enter the number of Capital assets created/ acquired: Not applicable

9. 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 2022-23, the Company has spent INR 30,633,942 on various projects. The unspent balance of INR 11,551,703/- towards an ongoing project namely; IIT-Delhi-Innovation in Mobility Program and the government school project at Chennai, 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: May 3, 2023
Place: Gurugram

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 by implementing energy efficient technologies continues to be the top focus in the Company's operations. The Company believes that its actions around energy bring direct benefit greatly to the climate and to the Company's bottom line as well.

During the year, the Company was able to achieve energy saving through various operations initiatives as under:

1. Improvement in energy efficiency in the forging, heat treatment, and machining processes by optimizing cycle times.
2. Improvement of capacity utilisation and reduction in thermal losses from varnish ovens.
3. Installation of automatic power factor controller (APFC) panels, energy efficient hydraulic power packs.
4. Installation of motion sensors for lighting, timer-based operation of plant roof lights, exhaust fans and air conditioning.
5. Variable frequency drive (VFD) installation for air compressor.
6. Energy consumption reduction by replacement of florescent lights with LED lights and old motors, air driers and air conditioners with more energy efficient ones.

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

The Company conducted the energy audit in November 2021 and identified new energy conservation activities and use of alternate source of energy (Solar Power). We added 465 kWp additional solar power capacity by installing roof top solar panels and increased our total solar power capacity

from 1.5 MW to almost 2 MW. We are planning to increase the use of green energy further in the coming years.

(iii) The capital investment on energy conservation equipments

During the financial year 2022-23, the Company invested on the following energy saving initiatives:

1. Replacement of Fluorescent light into LED – INR 0.67 million;
2. Replacement of old air conditioners with more energy efficient air conditioners – INR 0.65 million;
3. Replacement of old air driers with more energy efficient ones – INR 0.54 million;
4. Installation of VFD for air compressor – INR 0.37 million;
5. Installation of energy efficient IE3 motors – 0.14 million;
6. Improvement in wall insulation of Cumbica oven for thermal loss reduction – 0.12 million;

B- TECHNOLOGY ABSORPTION

1. Efforts in brief towards Technology Absorption, Adoption and Innovation

1. Company has complete know-how of design, manufacturing and validation of bevel gears, differential assembly and its aggregates for the Electric & non-electric vehicle requirements.
2. Developed in-house capabilities for the driveline products;
 - a. Die Design
 - b. Die Manufacturing
 - c. Gear Design
 - d. Gear Manufacturing
 - e. Differential Assembly design & manufacturing
 - f. Laser welding
 - g. Gear Skiving

3. Developed various functional specialists within the R&D team to enable, develop and absorb the latest motor and motor controller technologies in the EV space:

- a. Functional Safety Specialist
- b. ASPIICE Specialist
- c. Software Architect
- d. System Engineering Specialist
- e. Motor Control Specialist
- f. Patent Specialist

4. Setup of EMC compliance test facilities which helps to qualify the Controllers internally.

5. Implemented the design processes to strengthen the concept development and validation of new technology and products such as Integrated Motor and Controller.

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

- a. Cost reduction and reduction in "Time to Market".
- b. Complete indigenisation of tooling resulting in superior products compared to competition.
- c. Development of inhouse capabilities in latest technologies for Hardware, Software, Motor, Validation, Systems Engineering, Functional Safety (A/B), Cybersecurity (L1), etc.
- d. Implementation of robust design processes to launch products which are safe, robust and technologically relevant such as IS26262 (A/B).

- e. Ability to co-develop with OEMs and continually improve products to meet changing market needs.

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 | 283 |
| 2. | Capital expenditure | 448 |
| | Total | 731 |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

| S. No. | Particulars | Amount (INR in Million) |
|--------|---|-------------------------|
| 1. | Foreign exchange outgo during the financial year | 2,885.36 |
| 2. | Foreign exchange earnings during the financial year | 11,976.65 |

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

Sunjay Kapur

Place: Gurugram
Date: May 03, 2023

Chairperson and Non-Executive Director
DIN:00145529