



Corporate Governance Report

Annexure - A

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1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Sona BLW Precision Forgings Limited (Sona Comstar/ Company) philosophy of Corporate Governance is built on the foundation of business ethics, integrity, honesty, fairness, transparency, accountability and trust in dealing with all the stakeholders.

Sona Comstar is committed to Corporate Excellence with consistent focus on governance, regulatory and ethical compliance, corporate social responsibility, environment, and sustainability. Being a value driven organisation, the Company accords highest priority in building trust with shareholders, employees, customers, suppliers, and other stakeholders.

On ethical compliance, our focus area has been on compliance with Company's policy on the Code of Conduct and Business Ethics, Anti-bribery and Corruption, Anti Money Laundering, Anti-Trust, Data Protection and Privacy, Confidentiality of Information, Intellectual Property Rights, Training on Prohibition of Insider Trading, Prevention of Sexual Harassment, promotion of Human Rights, Fair Labour Practices, Freedom to Associate and Collective Bargaining in our operations etc. The Company has implemented a Whistle Blower Mechanism, which is subject to periodic monitoring and reporting.

In dealing with external stakeholders, the Company believes in maintaining transparency with timely notification 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. The Company has established systems and procedures to ensure that its Board of Directors are well-informed and well-equipped to discharge its overall responsibilities and to provide the management with the strategic direction needed to create long-term stakeholder's value. The Company's value creation is based on equitable, inclusive, transparent, and collaborative stakeholder's practices. The Company promotes a safe and healthy workplace for its employees and during the year under review, the Company again received the certification for "**Great Place to Work**" from the Great Place to Work® Institute.

The Company has set out the environment social and governance (**ESG**) medium and long-term goals and mapped them with the United Nation Sustainable Developments Goals (**SDGs**). The Company have also published its Sustainability Report for the Financial Year 2022-23 in line with the GRI Standards, which is available on the website of the Company at [https://sonacomstar.com/files/documents/sustainability-](https://sonacomstar.com/files/documents/sustainability-report-fy-2023-23-document-Kp7yY3.pdf)

[report-fy-2023-23-document-Kp7yY3.pdf](https://sonacomstar.com/files/documents/sustainability-report-fy-2023-23-document-Kp7yY3.pdf). This report provides the additional relevant information to the stakeholders of the Company.

As part of the ESG initiatives, the Company has revised its governance goals to focus more on:

1. Sensitising the employees of the Company by conducting regular and periodic training and awareness sessions:
 - a) on ethical issues including prevention of Conflict of Interest, Anti-Bribery and Corruption, Anti Money Laundering, Anti-Trust Issues, Prevention of Insider Trading, Sexual Harassment;
 - b) for promotion of Human Rights, Diversity & Inclusion, Fair Labour Practices, Freedom to Associate & Collective Bargaining, Data Privacy and other Corporate Social Responsibility issues; and
 - c) encourage the value chain partners of the Company for promotion of Human Rights and Ethical issues as mentioned in para (a) and (b) hereinabove.
2. Inculcate the culture of compliance and ensure Compliance with all the applicable laws and regulations within the organisation. Also encourage the value chain partners of the Company for developing the culture of compliance with all the applicable laws and regulations.
3. Sensitising on data protection and privacy framework across the group.
4. Continued focus on the Corporate Governance practices by benchmarking with best governed companies.

Accolades for Corporate Excellence

During the Financial Year under review, the Company was awarded the "**Golden Peacock Award for Excellence in Corporate Governance-2023**" by the Institute of Directors (**IOD**) for excellence in Corporate Governance Practices. The Company was conferred with **CII-ITC Sustainability Awards, 2023** - Commendation for Significant Achievements in Corporate Social Responsibility by the Confederation of Indian Industry (**CII**) in the manufacturing sector.

During the period under review, the Company was assessed by Institutional Investor Advisory Services (**IIAS**) on the Corporate Governance Score Card, which is determined basis the Indian Corporate Governance Scorecard Methodology, revised with effect from 01st April 2022. The Company have scored a Governance Score of **64**, Governance Grade '**Good**' with overall rank of **33** amongst S&P BSE 200/Nifty 200.



2. ETHICS/GOVERNANCE POLICIES

Code of Conduct for Board, Senior Management, Employees and Value Chain Partners

The Code of Conduct (**Code**) for Board, Senior Management and Employees encompass Corporate Governance as the cornerstone for sustained management performance. The Code impresses upon the Board and Senior Management to uphold the interest of the Company and its stakeholders and 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>. In addition, the Company has also implemented a Code of Conduct and Business Ethics for the employees, which is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>

The Company also implemented a Code of Conduct and Ethical Policy framework for its value chain partners, wherein we conduct regular training and awareness sessions to sensitise on ethical issues. These policies of the Company are available on the website of the Company at <https://sonacomstar.com/policies-and-codes>

The Company has also implemented the Fair Work Practices Code for its employees and value chain partners (**Fair Work Practices Code**) covering issues like upholding constitutional values, human rights, diversity and inclusion, fair labour practices, freedom of association, collective bargaining etc. across its operations. The Fair Work Practices Code of the Company is available on the website of the Company at <https://sonacomstar.com/files/policy/fair-work-practice-guidelines-policy-aetlfx.pdf>

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-G**.

During the period under review, the Company conducted various training and orientation sessions for its employees, directors and value chain partners to sensitise on various ethical issues covering Anti-Corruption & Bribery, Anti Money laundering, Code of Conduct, Anti-Trust, prevention of Sexual Harassment at Workplace, Prevention of Insider Trading, Trade embargos etc. in house and through reputed domestic and international consultants. The details of the training and awareness sessions is provided in the Business Responsibility and Sustainability Report attached to the Annual Report.

Cyber Security

Cyber security has been a growing concern for the corporates and putting in place a robust security solution is absolutely essential. The Company has

implemented a robust Cyber Security and Data Protection Framework across all its locations, which is subject to periodic reviews for its efficacy.

During the year under review, the Company has conducted the Cyber Maturity Assessment and conducted regular Phishing Drills and Awareness & Training. Sessions for employees to make aware them about Do's and Don't for Prevention of Cyber Attack.

Data Privacy Framework

The confidentiality of the Personal Sensitive Information (**PSI**) of its employees, directors, vendors, customers and other stakeholders has been one of the focus. During the Financial Year under review, the Company has reviewed and updated its data privacy framework in the Company and its subsidiaries in compliance with the Digital Personal Data Protection Act 2023 (**DPDP**) and the General Data Protection Regulation (**GDPR**) across its locations.

During the year under review, the Company engaged M/s. BDO India LLP (**BDO**) for review and updation of its data privacy framework. The BDO team conducted the maturity assessment of the current practices and procedures of handling the PSI of its employees, directors, vendors, customers and other stakeholders and helped the Company to update its data privacy framework in compliance with the DPDP and GDPR.

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 focuses on trainings and awareness sessions to update the designated persons of the Company to make them aware about their duties and responsibilities under the SEBI (Prohibition of Insider Trading) Regulations, 2015, (**PIT Regulations**) and the Code of Conduct for Prevention of Insider Trading. Further, frequent communications via emails, flyers are sent to the designated persons informing them about Trading Window Closure, Do's and Don'ts under the "Code of Conduct for prevention of insider trading" (**PIT 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.

In terms of the provisions of the PIT Regulations, the Company has adopted the **PIT Code** to regulate, monitor and report trading by designated persons and Insiders. The objective of the PIT Code is to put in place 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 in compliance with the PIT Regulations. The PIT Code and the Code

for disclosure of UPSI is posted on the Company’s website and can be accessed at <https://sonacomstar.com/policies-and-codes>

During the Financial Year 2023-24, the Company has conducted various training, awareness sessions and programs for designated persons to familiarise them with the compliances and the responsibilities required to be carried out under the PIT Regulations and the PIT Code.

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

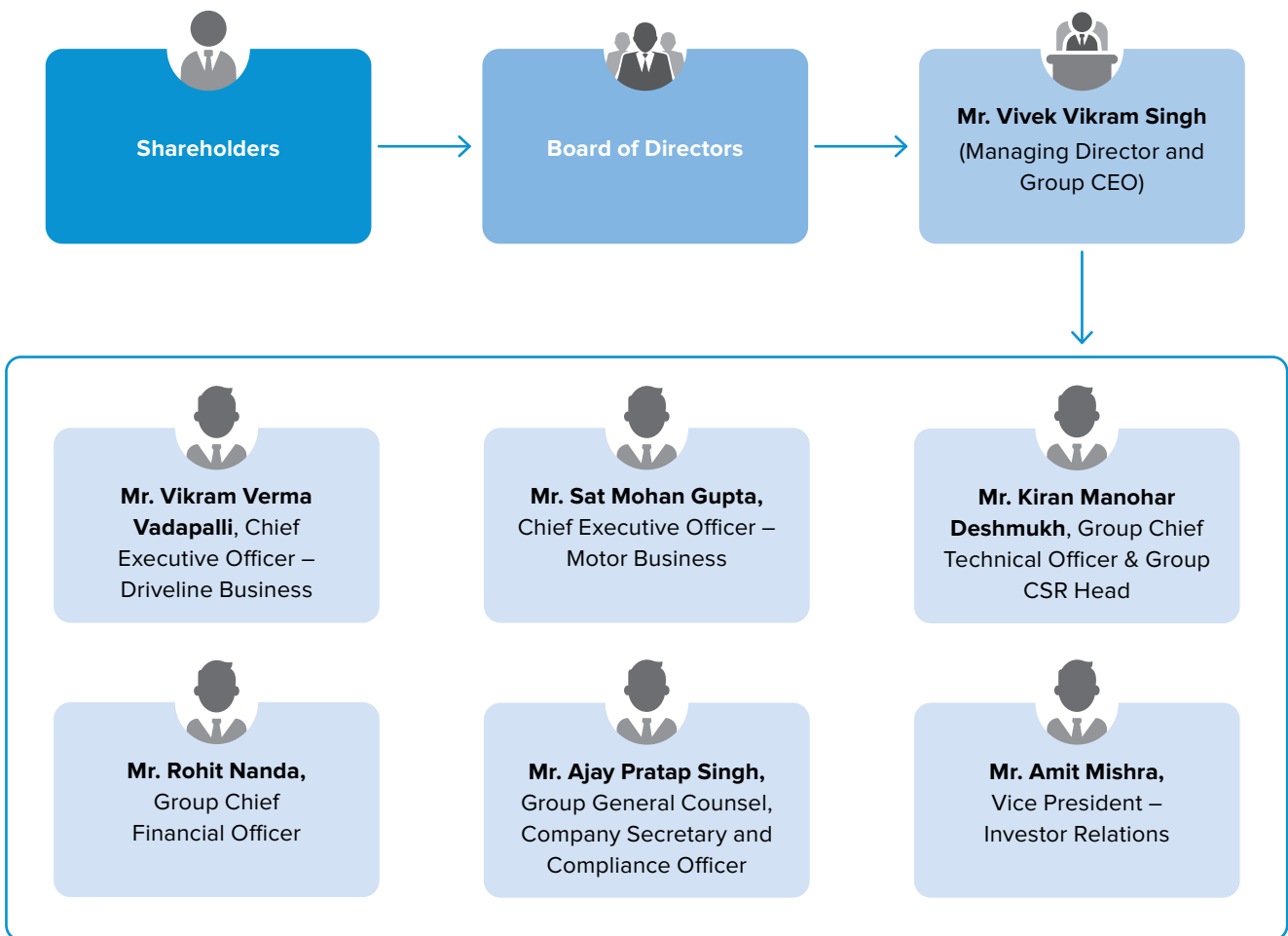
The Company has set up an **Insider Trading Tool** and mapped all the details of the Designated Persons (DPs), their immediate relative and insiders. The Company tracks the shareholding of all the DPs and

their immediate relatives on weekly basis and in case of non-compliance, the Audit Committee may impose fine on the DPs. Further, while sharing any Unpublished Price Sensitive Information (UPSI) with any employee or outsider for legitimate purposes, the employees are required to make an entry in the Structural Digital Database (SDD) tool.

The communication related to the closure of the trading window are sent to all the designated employees from this automated tool. As part of good corporate governance practice, the Company follows the practice of closing its trading window from 15 days before the end of the quarter until 48 hours after the results are published. The Continued focus on training and awareness programs has ensured better compliance with the PIT Code and PIT Regulations.

3. GOVERNANCE STRUCTURE

The Company’s governance structure comprises of the Board of Directors, its Committees and the management, the tabular representation of the same is shown below. The Corporate Governance practices at Sona Comstar are articulated through the Company’s Code of Conduct and Business Ethics, charters of various Committees of the Board and various other policies implemented by the Company.





4. BOARD OF DIRECTORS

The Board of Directors have the responsibility of implementing long-term business strategy, enhancing value of all stakeholders, effective management, and monitoring the effectiveness of the Company’s Corporate Governance practices, the details of the same is well articulated and posted on the website of the Company at <https://sonacomstar.com/files/policy/responsibilities-and-duties-of-board-of-directors-policy-Adosl4.pdf>. 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.

The Senior Management of the Company includes:

1. Mr. Vikram Verma Vadapalli, Chief Executive Officer -Driveline Business
2. Mr. Sat Mohan Gupta, Chief Executive Officer- Motor Business
3. Mr. Kiran Manohar Deshmukh, Group Chief Technical Officer & Group CSR Head
4. Mr. Rohit Nanda, Group Chief Financial Officer
5. Mr. Ajay Pratap Singh, Group General Counsel, Company Secretary and Compliance Officer
6. Mr. Amit Mishra, Vice President-Investor Relations

The Board has unrestricted access to all Company related information including access to members of the management team. The Company Secretary ensures that the Board and the Committees of the Board are provided with the relevant information, details and documents required for decision making.

As on 31st March 2024, the Board of the Company comprises of 8 (eight) directors, of which 5 (five) are Independent Directors, (including 2 (two) women Independent Director), 1 (one) is Executive Director, and 2 (two) are Non-Executive Directors.

During the year under review, the composition of the Board of Directors of the Company was changed pursuant to the following:

1. Retirement of Mr. Ganesh Mani, Non-Executive director at the 27th AGM held on 19th July 2023.
2. Appointment of Mrs. Manisha Girotra, as Non-Executive and Independent Director of the Company w.e.f. 01st January 2024.

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 Chairman and Managing Director of the Company are separate, and both are not related with each other.

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, ethics, cyber security, etc. and play a critical role on strategic issues and add values in the decision-making process of the Board of Directors.

The Senior Management of your Company has made disclosures to the Board confirming that there are no material, financial and commercial transactions between them and the Company which could has potential conflict of interest with the Company at large.

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. 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>

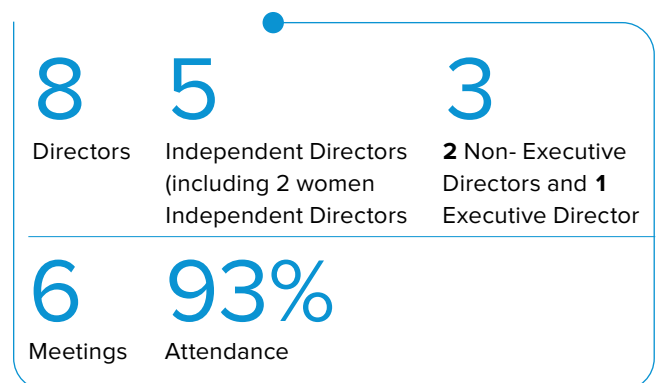
5. NUMBER OF BOARD MEETINGS, ATTENDANCE OF THE DIRECTORS AT MEETINGS OF THE BOARD AND AT THE LAST ANNUAL GENERAL MEETING

All directors are expected to attend each board meeting and committee meeting of which they are members, unless there are exceptional reasons preventing them from participating. Only members of the committees are entitled to attend Committee meetings, but other directors may attend the Committee meeting as invitee at the Chairman’s discretion.

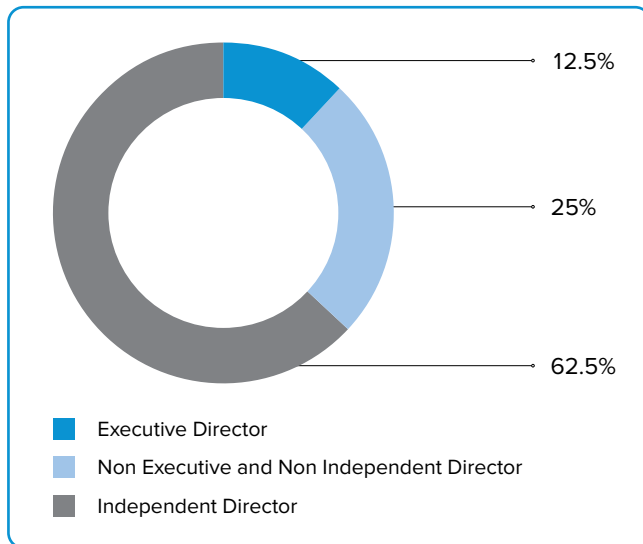
During the Financial Year under review, the Board of Directors met 6(six) times to discuss and deliberate on various matters. The meetings were held on 03rd May 2023, 27th July 2023, 14th September 2023, 25th October 2023, 23rd January 2024 and 14th March 2024. The Board have met quarterly and the gap intervening between two meetings was within the time prescribed under the Act and Listing Regulations.

For the ease and convenience of all the directors and management team, the annual calendar of meetings of the Board of Directors, committees and Annual General Meeting is fixed at the beginning of the year and communicated to all the directors and management team.

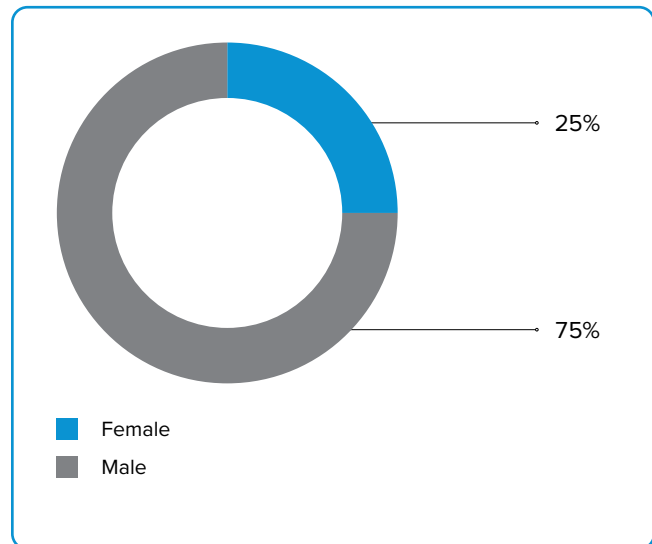
Composition and Attendance (in brief):



Board Composition



Gender Diversity



As on 31st March 2024, the composition of the Board, Committee positions held by the directors as chairperson, member and directorship 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 6 board meeting held)	Attendance at the AGM held on 19 th July 2023	Number of Directorship		Committee Positions [#]		Name of the other listed entities	
				Public	Private	Chairman	Member	In which he/she is a Director	Category of Directorship
Mr. Sunjay Kapur (DIN: 00145529)	Chairman and Non- Executive Director	6	Yes	3	5	-	-	Jindal Steel & Power Limited	Independent Director
Mr. Amit Dixit (DIN: 01798942)	Non- Executive Director	4	Yes	5	1	-	-	Mphasis Limited EPL Limited	Non-Executive Director Non-Executive Director
Mr. Subbu Venkata Rama Behara (B.V.R. Subbu) (DIN: 00289721)	Independent Director	6	Yes	3	8	2	4	KPIT Technologies Limited MTAR Technologies Limited	Independent Director Independent Director and Chairperson
Mrs. Shradha Suri (DIN: 00176902)	Independent Director	5	Yes	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)	Independent Director	6	Yes	2	4	1	4	Force Motors Limited	Managing Director
Mr. Jeffrey Mark Overly (DIN: 09041143)	Independent Director	6	Yes	1	-	-	2	-	-
Mr. Vivek Vikram Singh (DIN: 07698495)	Managing Director and Group CEO	6	Yes	1	-	-	1	-	-
Mrs. Manisha Girotra* (DIN: 00774574)	Non- Executive Independent Director	2	No	2	2	-	1	Ashok Leyland Limited	Independent Director
Mr. Ganesh Mani^ (DIN: 08385423)	Non- Executive Director	1	No	-	-	-	-	-	-

[#]For the purpose of calculating the membership and chairmanship of a committee, the membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered including the membership and chairmanship of committees held in our Company.

* Mrs. Manisha Girotra was appointed on the Board of the Company w.e.f. 01st January 2024 as a Non- Executive and Independent Director of the Company.

^ Mr. Ganesh Mani, Non-Executive Director, retired from the directorship of the Company w.e.f. 19th July 2023.



Independent Directors

All Independent Directors played a pivotal role in maintaining a high standard of corporate governance in the Company. They provide valuable perspective to the deliberations of the Board and contributed significantly to the decision-making process and improving the 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 had 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. 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 and the Act.

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.

Further, in compliance with Regulation 46(2)(b) of Listing Regulations, the terms and conditions of appointment of Independent Directors are available on the website of the Company which can be accessed at <https://sonacomstar.com/files/documents/terms-of-appointment-re-appointment-of-independent-directors-document-Pd816e.pdf>

Performance Evaluation

In terms of clause VII of the schedule IV of the Act read with regulation 25(3) of Listing Regulations, a separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors, for the Financial Year 2023-24 was held on 30th April

2024 for the Board evaluation. Independent Directors in this meeting reviewed and evaluated the performance of the Non-Independent Directors, Board as a whole and Chairman of the Company after taking views` of executive and non-executive Directors of the Company.

Lead Independent Director

Mr. B.V.R Subbu, Independent Director has been appointed as the Lead Independent Director with effect from 01st September 2022. As a Lead Independent Director, Mr. Subbu has been entrusted, inter-alia, with the following roles and responsibilities:

- i. Lead exclusive meetings of the Independent Directors and provide feedback to the Chairperson/ Board of Directors after such meetings.
- ii. Provide leadership to the Independent Directors and serve as liaison between the chairperson of the Board and the Independent Directors.
- iii. 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.
- iv. Identify critical issues for the Board to deal with and assist the Board in achieving consensus on important issues.

Meetings of Independent Directors

The Independent Directors of your Company met 2 (twice) during the year under review on 25th October 2023 and 23rd January 2024 without the presence of Non-Independent Director(s). Mr. B.V.R. Subbu, Lead Independent Director, presided over the meetings of Independent Directors.

The meetings of Independent Directors were held in a formal and flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors, the Board of Directors and Chairman of the Company, 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.

Board meetings - Functioning and Procedure

Calendar	The annual calendar of the Board, committee meetings and the AGM is 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 meeting during the year were held virtually. The Company is proposing to hold atleast one Board Meeting in person in a Financial Year going forward.
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 in consultation with the chairperson of the Board and respective committee of the Board.
Board material / agenda distributed in advance	Meetings are driven 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 agenda notes.
Presentations by management	The Board and its committees are given presentations covering business performance, technology and updates on major business segments, operations of the Company / subsidiaries, global business environment including business opportunities, business strategy, cyber security, ESG framework and the risk management practices, change 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 committee 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 Board <i>inter-alia</i> periodically reviews annual operating plans and budgets including operating and capital expenditure budgets technological updates, 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, 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 important decisions and suggestions taken at the Board / Committee meetings are promptly communicated to the concerned departments / divisions. An update on the action taken on the decisions of the previous Committee's meeting(s) is placed at the subsequent respective meeting of the Board/Committee.

Details of Equity Shares and Convertible Instruments held by Non-Executive Directors as on 31st March 2024

As on 31st March 2024, 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 Director(s)	(INR in million)	
		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 (KMP) of the Company as on 31st March 2024

S. No.	Name of KMP	No. of Equity Shares	No. of Equity Shares	No. of Convertible Instruments
1.	Vivek Vikram Singh, (Managing Director and Group Chief Executive Director)	3,03,000	0.05%	NIL
2.	Rohit Nanda (Group Chief Financial Officer and Chief Risk Officer)	NIL	NIL	NIL
3.	Ajay Pratap Singh, (Group General Counsel, Company Secretary and Compliance Officer)	12,768	Negligible	NIL

Familiarisation Programme for Independent Directors and Board Members

In compliance with Regulation 25(7) of the Listing Regulations, 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, business model of the Company, their rights and responsibilities as Independent Directors.

A newly appointed Independent Director is provided with an induction deck which contains appointment letter along with their roles, duties & responsibilities, policies including the Code of Conduct for Board of Directors and Senior Management Personnel, Policy on Board Diversity and other related policies and corporate presentation. Apart from the above, one-to-one orientation session is also organised with the senior management of the Company.

The exhaustive induction for Independent Directors enables them to be familiarised with the Company, its history, values and purpose. The Managing Director and Group CEO also makes presentation 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.

The Company is an auto technology Company with focus on technological advancement in the mobility. In Board meetings, discussions are focused on business strategy, cyber security, governance, compliances, operational and functional matters and technological updates, which provide good insights on the businesses



carried on by the Company to the Independent Directors. To make these sessions more productive, all the documents required and/or sought by Independent Directors are provided in advance. Further, the directors are regularly updated monthly on material changes in regulatory framework and its impact on the Company, apart from specific event based updates on regulatory frameworks and leading case laws of the Supreme Court of India and orders of SEBI relevant for 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 Independent Directors are encouraged to visit the facility of the target before finalisation and approval of any proposal for acquisition by the Company.

The details of the familiarisation programmes for Independent Directors are put up on the website of the Company and can be accessed at <https://sonacomstar.com/files/policy/familiarisation-programme-policy-OzjWbw.pdf>

Chart/Matrix of Setting out the Skills/ Experiences competencies of the Board of Directors:

The Board of Directors of the Companies in its meeting held on 14th March 2024, based on the recommendation of Nomination and Remuneration Committee, has updated the skills/expertise/competencies required for the directorship in the Company.

The directors of the Company confirmed the skills/expertise/competencies possessed by them as follows:

Name of Director(s)	Strategic Thinking, Planning and Management	Entrepreneurial and Leadership skills	Accounting, Legal and Financial Management expertise	Global Exposure	Automobile Industry	Regulatory Compliance and Stakeholder Management	Information Technology/ Cyber Security	Corporate Governance, Sustainability, and ESG	Risk Management
Mr. Sunjay Kapur	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vivek Vikram Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Dixit	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Prasan Abhaykumar Firodia	✓	✓	-	✓	✓	✓	-	✓	✓
Mr. Subbu Venkata Rama Behara (B.V.R. Subbu)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Shradha Suri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jeffrey Mark Overly	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Manisha Girotra	✓	✓	✓	✓	✓	✓	✓	✓	✓

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) covering all directors including Independent Directors, Officers, Managers and Employees of the Company for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be held guilty in relation to the Company.

6. BOARD COMMITTEES

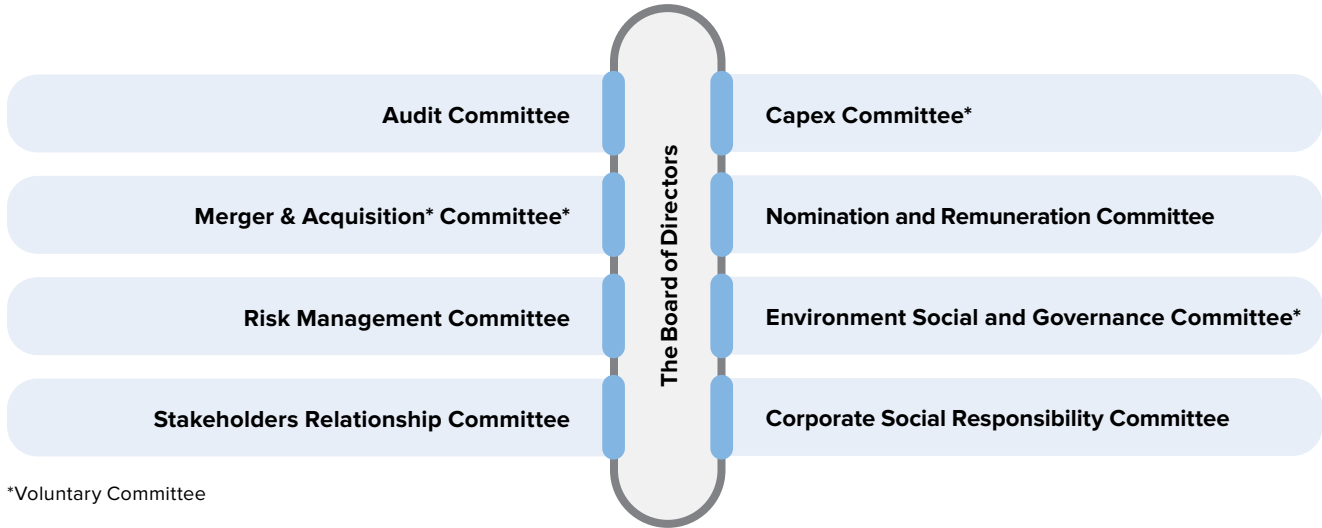
The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities delegated by the Board in accordance with applicable laws.

The Board has constituted the following five statutory committee's viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee and Risk Management Committee to carry out clearly defined roles. 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 three non-statutory committees namely, Environment, Social and Governance (ESG) Committee, Capex Committee and Merger and Acquisition (M&A) Committee. The term of reference of the committees of the Board has been defined by the Board and is being reviewed from time to time. Mr. Ajay Pratap Singh, Company Secretary of the Company acts as Secretary to these committees of the Board.

The agenda for each committee meetings are finalised in consultation with the respective Chairperson of the Committee. The Chairperson of the respective Committee updates the Board about the summary of the discussions held in the respective committee meetings. The minutes of the committee meetings are finalised in consultation with the Chairperson of the respective committee and are circulated to all the members of the respective committees, which are subsequently confirmed by the respective committees and also taken note of by the Board in the subsequent meeting.

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



*Voluntary Committee

1. Audit Committee

The Audit Committee of the Board is fully independent and comprises of three Independent Directors. As a matter of Good Corporate Governance practices, the Committee meet with the Statutory Auditors, Internal Auditors and Secretarial Auditors without the presence of management of the Company to discuss the audit process and flow of information from respective departments, at least once in a Financial Year. Apart from this, the Internal auditors, Statutory auditors & Secretarial auditors are invited to present the quarterly findings with the Audit Committee.

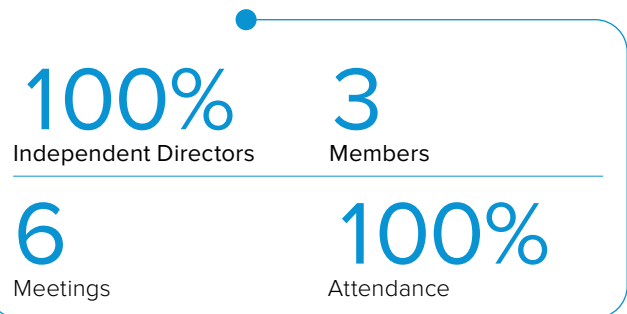
Members of the Senior Management team are also invited to attend the Audit Committee meetings. Apart from the above, the external firms engaged by the Company for implementation of framework on data protection and privacy and cyber security of the Company and its subsidiaries are also invited to make representations before the Audit Committee, from time to time.

The Audit Committee comprises of three non-executive directors, all of them including the chairperson 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



The Composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2023-24 is detailed below:

Name of Directors	Nature of Membership	Audit Committee meetings dates						Eligible to attend the Meeting	Attended	% of attendance
		3 rd May 2023	27 th July 2023	14 th September 2023	25 th October 2023	23 rd January 2024	14 th March 2024			
Mr. Subbu Venkata Rama Behara	Chairperson	✓	✓	✓	✓	✓	✓	6	6	100
Mr. Prasan Abhaykumar Firodia	Member	✓	✓	✓	✓	✓	✓	6	6	100
Mr. Jeffrey Mark Overly	Member	✓	✓	✓	✓	✓	✓	6	6	100
Mr. Ganesh Mani*	Member	✓	-	-	-	-	-	1	1	100

*Mr. Ganesh Mani, Non-Executive Director, retired from the directorship of the Company w.e.f. 19th July 2023.



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, secretarial audit, and cost 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/ Charter:

The role, responsibilities, and powers of the Audit Committee shall include matters set out in this charter and such other items as may be prescribed by applicable laws as amended or by the Board in compliance with applicable law from time to time.

1. Roles and Responsibilities

The Audit Committee shall have the following authority, role and responsibilities:

A. Related to Financial Statements

- Review and examine, with the management, the annual financial statements, quarterly audited/ unaudited financial statements/results 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 judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report.
- Review the financial statement, in particular, the investment made by unlisted Subsidiary;
- Evaluation of internal financial controls and risk management systems;
- Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Oversee Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Review the management discussion and analysis of financial condition and results of operations.

B. Related to Auditors of the Company

- Recommendation to the Board for appointment, remuneration and terms of appointment of auditors of the Company;

In case the auditors propose to resign before completion of their term, the Committee shall examine the reason for such resignation including concerns raised by the auditor such as non-availability of information / non- cooperation by the management / any other apprehensions hampering the audit process and deliberate on them in the immediate next Audit Committee meeting.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Committee;
- Review and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Review 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;
- Review the internal audit reports relating to internal control weaknesses;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review 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;
- Review management letters / letters of internal control weaknesses issued by the statutory auditors;

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.

C. Relating to the Integrity & Compliance Function of the Company

- Review of compliance with the Company's Code of Conduct and Business Ethics, Whistle Blower Policy, Policy for Prevention of Sexual Harassment at Workplace, Anti-Bribery & Corruption Policy and other policies on the ethical compliance framework of the Company;
- Review functioning of the whistle blower mechanism/ vigil mechanism to report genuine concerns or grievances;

- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively;
- Approval of all related party transactions or any subsequent modifications (including material modifications) thereto;

The Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed under the applicable rules in the Act;

- Review the details of Related Party Transactions entered pursuant to omnibus approval given, at least on quarterly basis;
- To define material modification in the Related Party Transactions;
- Review the statement of significant related party transactions (as defined by the Audit Committee), submitted by management.

D. *Relating to mergers/acquisitions and investments*

- Scrutinise inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Review utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding INR 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

E. *Other responsibilities*

- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- Review and recommend amendment to the Policy on Related Party Transactions, if so required to ensure compliances with new regulatory requirements;
- Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, or preferential issue or qualified institutions placement and making appropriate recommendations to our board to take up steps in this matter;
- Review the 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 Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**).

- annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Listing Regulations.

- Approval the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other functions as mentioned in this Charter and any other terms of reference as may be decide by the Board and/or specified /provided under the Companies Act, the Listing Regulation or by any other regulatory authority(ies);
- Look 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.

2. **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;
- To secure attendance of the auditors, and the head of finance and occasionally the Committee members may meet without the presence of the executives of the Company.

3. **Composition**

- All members of Committee should be financially literate and at least one member shall have accounting or related financial management expertise.
- The Committee shall comprise a minimum of three directors, with at- least two-thirds of the members of the Audit Committee shall be independent directors.
- The Chairperson of the Committee shall be an independent director and he /she shall be present at Annual general meeting to answer shareholder queries.
- The members of the Committee shall be elected by the Board and shall continue until changed by the Board otherwise.
- The Company Secretary shall act as the secretary to the Audit Committee.

4. **Meetings**

- The Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.



- The quorum for Committee meeting shall either be two members or one third of the members of the Audit Committee, whichever is greater, with at least two independent directors.
- The Committee shall undertake an annual performance evaluation of its own effectiveness and submit it to the Board.
- The Committee shall, atleast once in a year, meet separately with the internal auditors, statutory auditors and/or secretarial auditors, without the presence of management.

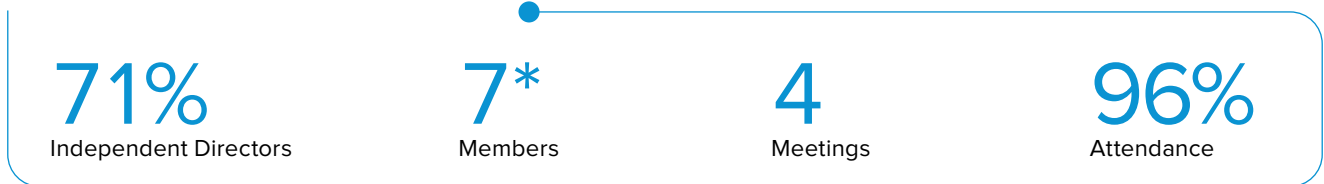
2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (**NRC**) comprises of seven non-executive directors, of whom five 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.

Composition and Attendance (in brief):



* Mrs. Manisha Girotra, Independent Director of the Company is inducted as one of the members of NRC w.e.f. 30th April 2024.

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 2023-24 is detailed below:

Name of Directors	Nature of Membership	Nomination and Remuneration Committee meeting dates				Held during tenure	Attended	% of attendance
		3 rd May 2023	27 th July 2023	25 th October 2023	14 th March 2024			
Mr. Jeffrey Mark Overly	Chairperson	✓	✓	✓	✓	4	4	100
Mr. Subbu Venkata Rama Behara	Member	✓	✓	✓	✓	4	4	100
Mr. Amit Dixit	Member	✓	✓	✓	✓	4	4	100
Mr. Sunjay Kapur	Member	✓	✓	✓	✓	4	4	100
Mr. Prasan Abhaykumar Firodia	Member	✓	✓	✓	✓	4	4	100
Mrs. Shradha Suri	Member	✓	✓	✓	-	4	3	75
Mrs. Manisha Girotra*	Member	-	-	-	-	-	-	-

* Mrs. Manisha Girotra, Independent Director of the Company is inducted as one of the members of NRC w.e.f. 30th April 2024.

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

The NRC 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:

- Formulation of 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 the board, its committees and individual directors to be carried out either by our board, its committees and

individual directors to be carried either by our Board, by the Nomination and Remuneration Committee or by an independent external agency and reviews its implementation and compliance;

- For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
 - Use the services of an external agencies, if required;
 - Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - Consider the time commitments of the candidates.

- Formulating criteria for evaluation of performance of the Independent Directors and the Board;
- Devising a policy on Board Diversity;
- Determining whether to extend or to continue the term of appointment of Independent Director, on the basis of report of performance evaluation of Independent Directors;
- Recommend to the 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 Listing Regulations, and any applicable law or by any other regulatory authority.

Succession Planning

The Company believes that sound succession planning for the Board Members and Senior Management is 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

Being a responsible corporate citizen, the Corporate Social Responsibility (CSR) is one of the priority areas of the Company. The CSR programs of the Company connect with Bharat and are designed keeping in view the focus on sustainability and benefit to the society at large.

The CSR interventions of the Company consist of six pillars:

- Sona Comstar -Samridh Bharat Program;
- Sona Comstar- Swasth Bharat Program;

- Sona Comstar- Surakshit Bharat Program;
- Sona Comstar - Saksham Bharat Program;
- Sona Comstar - Swachh Bharat Program; and
- Sona Comstar - Stree Shakti Bharat Program.

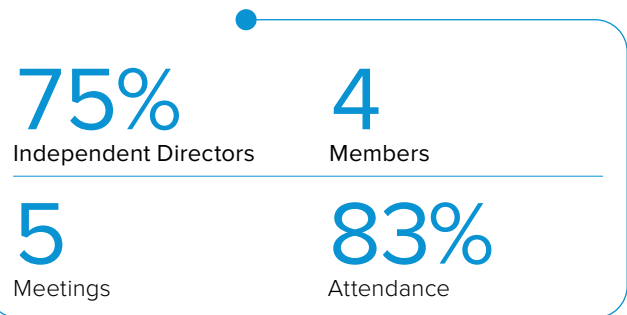
Company's CSR strategy centres around sustainability through innovation, education, especially women's education, providing livelihood support through skill development programs, plantation and creating opportunities for those who are socially or economically marginalised.

The Company has also devised a Standard Operating Procedure (SoP) for undertaking CSR activities, to ensure operational effectiveness in the projects' execution and management, thereby providing a clarity in the process flow.

During the period under review, your Company have bagged the CII – ITC Sustainability Awards, 2023 Commendation for Significant Achievement in Corporate Social Responsibility by Confederation of Indian Industry (CII) and CSR Times Award 2023-Gold, in their 10th National CSR Summit, organised by CSR Times.

The CSR Committee comprises of 4 (four) non-executive directors, of whom 3 (three) 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



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 2023-24 is detailed below:

Name of Directors	Nature of Membership	CSR Committee meeting dates					Eligible to attend the meeting	Attended	% of attendance
		3 rd May 2023	27 th July 2023	25 th October 2023	23 rd January 2024	14 th March 2024			
Mr. Prasan Abhaykumar Firodia	Chairperson	✓	✓	✓	✓	✓	5	5	100
Mrs. Shradha Suri	Member	✓	✓	✓	-	-	5	3	60
Mr. Sunjay Kapur	Member	✓	✓	-	✓	✓	5	4	80
Mrs. Manisha Girotra*	Member	-	-	-	✓	✓	2	2	100
Mr. Ganesh Mani [^]	Member	✓	-	-	-	-	1	1	100

* Mrs. Manisha Girotra was appointed as member of the Committee w.e.f. 23rd January 2024.

[^]Mr. Ganesh Mani, Non-Executive Director, retired from the directorship of the Company w.e.f. 19th July 2023.

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



The CSR Committee has the following terms of reference:

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

4. Stakeholders` Relationship Committee

Sustaining a healthy stakeholders relation is essential for Company for survival and long term viability. The Stakeholders Relationship Committee (**SRC**) has taken various voluntary initiatives during the year under review including but not limited to conducting shareholders satisfaction survey for obtaining the feedbacks of the shareholders about the services offered to them, publication of Investor’s Charter specifying the rights of the investors under various applicable laws and protection of minority shareholders from oppression and mis-management and Frequently Asked Questions (**FAQs**) which can be assessed on the website of the Company at https://sonacomstar.com/files/shareholders_manual.pdf

The Stakeholders Relationship Committee comprises of 3 (three) directors and out of them 2 (two) including the chairperson are non-executive and independent directors and one is executive 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.

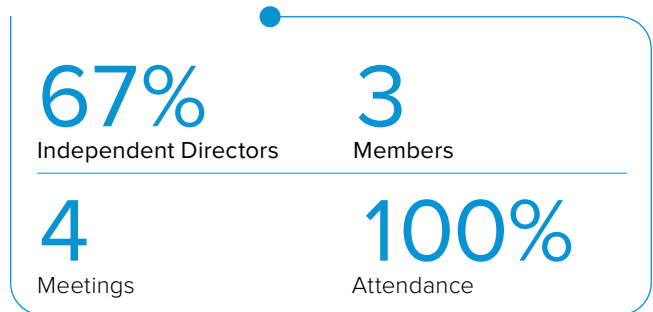
In order to address the grievance of the investor appropriately and in a time bound manner, the Company has formulated an Investor Grievance Redressal policy which can accessed at <https://sonacomstar.com/files/policy/investor-grievance-redressal-policy-policy-hCONqg.pdf>

The Company also send reminders to the shareholders through physical letter for their unclaimed dividend and also intimate them through email on quarterly basis to update their KYC, Nomination details and Bank details for receiving the direct credit of dividend amount and communication/updates from the Company.

The Company also publish the unclaimed dividend details of all the shareholders of the Company on its website at <https://sonacomstar.com/unclaimed-dividend> and shareholders can check their unclaimed dividend by mentioning their DP-ID, Client- ID or Folio no.

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



The composition along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2023-24 is as below:

Name of Director(s)	Nature of Membership	SRC meeting dates				Held during tenure	Attended	% of attendance
		3 rd May 2023	27 th July 2023	25 th October 2023	23 rd January 2024			
Mr. Prasan Abhaykumar Firodia	Chairperson	✓	✓	✓	✓	4	4	100
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 authorise affixation of Common seal of our Company, if any;

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

Details of Shareholders'/Investors' Complaints

During the Financial Year ended 31st March 2024, 30 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 requisition 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 2023-24 are as under:

No. of Investor/Shareholders complaints pending at the beginning of the Financial Year 2023-24	No. of Investor/Shareholders complaints received during the Financial Year 2023-24	No. of Investor complaints not solved to the satisfaction of shareholders during the Financial Year 2023-24	No. of Investor complaints pending at the end of the Financial Year 2023-24
Nil	30	Nil	Nil

5. Risk Management Committee

Managing risks, internal and external, meticulously is an important for the business continuity and existence. With this spirit, the RMC has taken various steps during the period including reviewing the risk registers periodically, formation of robust risk management framework enabling to manage and report on risks effectively and implementation of mitigation plan.

The Risk Management Committee (**RMC**) comprises of 3 (three) non-executive directors and 1 (one) executive director, of whom 2 (two) members 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):

50%

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 2023-24 is detailed below:

Name of Directors	Nature of Membership	RMC meeting dates		Held during tenure	Attended	% of attendance
		21 st July 2023	12 th January 2024			
Mr. Jeffrey Mark Overly	Chairperson	✓	✓	2	2	100
Mr. Sunjay Kapur	Member	✓	✓	2	2	100
Mr. Vivek Vikram Singh	Member	✓	✓	2	2	100
Mr. Ganesh Mani [^]	Member	-	-	0	0	0
Mrs. Manisha Girotra [*]	Member	-	-	0	0	0

[^]Mr. Ganesh Mani, Non-Executive Director, retired from the directorship of the Company w.e.f. 19th July 2023.

^{*}Mrs. Manisha Girotra was appointed as member of the committee w.e.f. 14th March 2024.



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

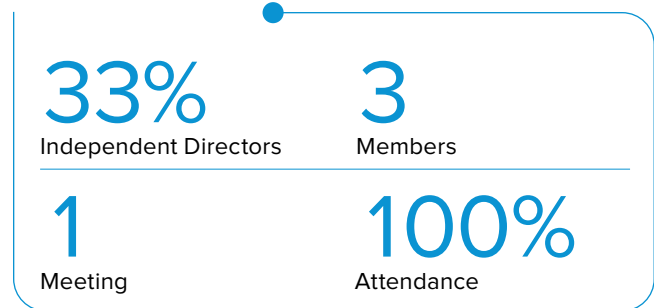
Environment Sustainability is becoming an utmost priority for the Company. The Company has taken various steps on sustainability ranging from recycling of waste water, water harvesting, rooftop solar power across all the manufacturing units of the Company and group captive solar power for its operations.

The Company has executed definitive documents for setting up captive power generating facility in the state of Haryana and Maharashtra having solar capacity of 14.85 MWp and 4.00 MWp respectively. The Company is in discussion for setting up of 2.5 MWp group captive power generating facility at the plant of the Company at Chennai, Tamil Nadu.

The ESG Committee is formed by the Board of Directors for overseeing the vision and focus on the Company's strategy relating to ESG and sustainability matters.

The Board of Directors of the Company has constituted an Environment, Social and Governance (**ESG**) Committee for implementation of Environment, Social and Governance framework across all operations in India. The ESG Committee comprises of 2 (two) non-executive directors including, Chairperson of the Committee as an independent director. The Company has set the ESG medium and long-term goals and mapped them with the United Nation Sustainable Developments Goals (**SDGs**).

Composition and Attendance (in brief):



The composition of the ESG Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2023-24 is detailed below:

Name of Directors	Nature of Membership	ESG Committee meeting dates	Held during tenure	Attended	% of attendance
		23 rd January 2024			
Mr. Jeffrey mark Overly	Chairperson	✓	1	1	100
Mr. Sunjay Kapur	Member	✓	1	1	100
Mr. Vivek Vikram Singh	Member	✓	1	1	100
Mr. Ganesh Mani [^]	Member	-	0	0	0

[^]Mr. Ganesh Mani, Non-Executive Director, retired from the directorship of the Company w.e.f. 19th July 2023.

7. Capex Committee

Allocation of the Capital decisively is an important focus area for the Company. Annual capital expenditure budgets are reviewed and recommended by the Capex Committee to the Board for its approval and after Board's approval the Capex Committee reviewed the status of expenditure on quarterly basis.

The Capex Committee comprises of (3) three non-executive directors of whom 2 (two) independent directors. The role of the Committee is to approve new capex and shall also monitor the cash out flow granularly in an effective manner.

The composition of the Capex Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2023-24 is detailed below:

Name of Directors	Nature of Membership	Capex Committee meeting dates				Eligible to attend the meeting	Attended	% of attendance
		27 th July 2023	24 th October 2023	12 th January 2024	14 th March 2024			
Mr. Sunjay Kapur	Chairperson	✓	✓	✓	✓	4	4	100
Mr. Jeffrey mark Overly	Member	✓	✓	✓	✓	4	4	100
Mr. BVR Subbu*	Member	-	-	-	✓	1	1	100
Mr. Ganesh Mani [^]	Member	-	-	-	-	0	0	0

*Mr. BVR Subbu, Non-executive Independent Director of the Company was appointed as member of the committee w.e.f. 23rd January 2024.

[^]Mr. Ganesh Mani, Non-Executive Director, retired from the directorship of the Company w.e.f. 19th July 2023.

8. Merger & Acquisition Committee

The Board of Directors in its meeting held on 30th April 2024 has constituted "Merger and Acquisition Committee" (**M&A Committee**) of the Board of Directors with the objective of assessing the vitality of each of the target and for detailed deliberation and discussion on each project for the faster turnaround before the proposal is placed before the Board for approval. The role of the M&A Committee shall include:

- To review, evaluate, scrutinize and consider all proposals for making investments (including acquisition), divestments, strategic alliances/ technological tie ups, Foreign Collaborations by the Company or by its subsidiaries and making appropriate recommendations to the Board of the Company.

Composition and Attendance (in brief):

67%

Independent Directors

3

Members

4

Meetings

100%

Attendance

- To approve merger or de-merger or arrangements, approve entry into new vertical.
- Any other matter as may be delegated by the Board from time to time.

The Composition of the M&A Committee is as follows:

Name of Directors	Nature of Membership
Mr. Sunjay Kapur	Chairperson - Non-Executive Director
Mrs. Manisha Girotra	Member – Independent Director
Mr. Vivek Vikram Singh	Member - Managing Director and Group CEO



7. GENERAL BODY MEETINGS

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

The empowerment of the Shareholders is of utmost priority to the Company. Since its listing, the Company has endeavoured to conduct its Annual General Meeting within shortest possible time from the closing of its Financial Year. On this drive, the Company will be conducting the AGM within 90 days this year.

Year	Location	Date & Time	Days of closure of Financial Year	Whether any Special Resolution passed	Special Resolution passed in the AGM by shareholders	Web link for webcast/transcripts	Approval by percentage of Voting (%)
2023	Video Conferencing/ other audio-visual means	19 th July 2023 at 12:00 noon (IST)	110 days	Yes	1. To approve the Sona Employee Stock Option Plan 2023 ("Plan" or "ESOP 2023") and grant of stock options to the Eligible Employees of the Company under the ESOP 2023.	https://sonacomstar.com/investor/meetings	98.85
					2. To approve the grant of stock options to the Eligible Employees of the Company's subsidiary or its associate Company, in India or outside India under the Sona Employee Stock Option Plan 2023		93.46
2022	Video Conferencing/ other audio-visual means	14 th July 2022 at 12:00 noon (IST)	105 days	Yes	1. To approve the payment of remuneration to Mr. Sunjay Kapur (DIN: 00145529), Non-Executive Director and Chairperson of the Company for the Financial Year 2022-23.	https://sonacomstar.com/investor/meetings	95.84
					2. To approve the remuneration of Mr. Vivek Vikram Singh (DIN: 07698495), Managing Director and Group Chief Executive Officer of the Company.		95.94
2021	Video Conferencing/ other audio-visual means	9 th September 2021 at 12:00 noon (IST)	162 days	Yes	1. To approve the payment of remuneration to Mr. Sunjay Kapur (DIN: 00145529), Non-Executive Director and Chairman of the Company for the Financial Year 2021-22.	https://sonacomstar.com/investor/meetings	97.66
					2. To approve the payment of remuneration or compensation to Non-Executive Directors (including Independent Directors) of the Company.		99.89
					3. To approve the payment of remuneration to Mr. Vivek Vikram Singh (DIN 07698495), Managing Director and Group CEO of the Company.		99.89

b) Whether any Special Resolution passed last year through postal ballot – details of voting pattern

During the Financial Year 2023-24, a Special Resolution was passed by the shareholders of the Company by e-voting through Postal Ballot process for appointment of Mrs. Manisha Girotra (DIN: 00774574) as Non- Executive Independent Director of the Company and the details of the voting pattern is as follows:

S. No.	Resolution	Ordinary/Special	No. of votes polled	No. and % of Votes in Favour of the resolution	No. and % of Votes Against the resolution
1.	To approve the appointment of Mrs. Manisha Girotra (DIN-00774574), as an Independent Director of the Company	Special	482,525,765	473,200,289 (98.067%)	9,325,476 (1.933%)

c) Person who conducted the postal ballot exercise

Mr. Ankit Singhi, Partner of M/s. PI & Associates, Practicing Company Secretaries, was appointed by the Board of the Company as the scrutinizer (“**Scrutinizer**”) for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

d) Whether any special resolution is proposed to be conducted through postal ballot?

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

e) Procedure for postal ballot

The Company has followed the procedure prescribed for conducting Postal Ballot under the provisions of the Companies Act, 2013 read with rules made thereunder and the Listing Regulations.

8. PERFORMANCE EVALUATION

Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board engagement and effectiveness. Based on the recommendation of the Nomination and Remuneration Committee (**NRC**), your Company has adopted policy for Evaluation of the Performance of the Board of Directors, which was duly approved by the Board of Directors.

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its committees as well as performance of all the Directors individually.

A structured questionnaire covering various aspects were circulated to individual directors, Committees and the Board, based on various criteria.

The criteria of evaluation of Board are based on “Guidance note on Performance Evaluation” issued by the SEBI on 05th January 2017, and in compliance with provisions of Act and Listing Regulations.

The summary of the evaluation was presented to the NRC, Independent Directors’ and the Board of Directors of the Company in their respective meeting held on 30th April 2024.

Evaluation of Committees

Evaluation of committees was carried out by the Board on the basis of the criteria such as structure and composition of committees, fulfilment of the functions assigned to committees by the Board and applicable regulatory framework, frequency of meetings, adequacy of time allocated at the committee meetings, adequacy and timeliness of the agenda and minutes circulated, effectiveness of the Committee’s recommendation for the decision of the Board etc.

Evaluation of Directors and the Board

A separate exercise was carried out by the NRC of the Board to evaluate the performance of all the Individual Directors.

Evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors.

Evaluation of the Chairperson of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors. Additionally, they also assessed 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.

Criteria for evaluation

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

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

The evaluation of Independent Directors was based on various criteria, such as independence from the Company and other directors and that there is no conflict of interest, the director exercises his/her own judgement and voice opinion freely etc.

The evaluation of Chairman of the Board was based on various criteria, inter alia, including displaying efficient leadership, contribution to the Company and in the Board meetings, keeping shareholders’ interest in mind during discussions and decisions, etc.

Process Employed

The results of the questionnaire are collated, and consolidated report is shared with the Board, NRC and the Chairperson of the Independent Directors’ meeting for improvements and its effectiveness.

The outcome of such performance evaluation exercise was also discussed at a separate meeting of the Independent Directors held on 30th April 2024 and was later tabled before the meeting of NRC and the Board of Directors of the Company.

In addition to the questionnaires, detailed one-to-one interactions by the Chairperson of the NRC Committee and Chairperson of the Board with the directors being evaluated are held and suggestions for the further improvements are received from other directors.

Based on the feedback received from the individual directors and the recommendations made by them, the actionable areas were identified.

The summary of the action points pertaining to the Board evaluation for Financial Year 2023-24, was placed before the Board, and the progress made, for its noting and further actions. The Board was satisfied with the status of progress of the same.



The directors have expressed their satisfaction with the evaluation process and the outcome.

Further, some of the focus areas identified by the Board for improvement, were as follows:

- i. Requirement of diversity on the Board, in terms of skills and industry, particularly IT and cyber security.
- ii. Conduct at least one physical board meeting during a year.
- iii. More clarity on succession planning of Senior Management and Board of Directors.

Other Corporate Policies

The details of the policies approved and adopted by the Board as required under the Companies Act, 2013 and the applicable Securities and Exchange Board of India (SEBI) Regulations along with the representations of the changes if any, made in the policies during the year under review are annexed as **Annexure-H** to the Board's report.

9. NOMINATION AND REMUNERATION POLICY AND REMUNERATION PAID TO DIRECTORS

The Company has a well-defined Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other Employees.

During the year under review, as a matter of Good Corporate Governance practice, the Nomination and Remuneration Policy of the Company has been revised basis the recommendations of Institutional Investor Advisory Services (IIAS) by clearly articulating the details of the process and criteria used for evaluating the candidature of the person for appointing as Director of the Company, which is available on our website, at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-DqCLrU.pdf>

The Nomination and Remuneration Committee determines and recommends to the Board compensation payable to the directors, key managerial personnel (KMP) and senior management. The compensation of directors is within the limit approved by the shareholders of the Company. Remuneration of the executive director and senior management comprises fixed components and variable component, including stock options, which is governed by the ESOP Scheme of the Company, as approved by the shareholders of the Company.

The Nomination and Remuneration Committee makes a periodic appraisal of the performance of executive director, KMP and senior management. The Non-Executive Directors are paid remuneration in the form of sitting fees for attending the meetings of the Board of Directors and its Committees, as approved by the Board of Directors and the commission as a percentage of the net profit of the Company.

Details of remuneration paid to directors during the Financial Year 2023-24

1. Remuneration paid to Managing Director and Group Chief Executive Officer and the Key Managerial Personnel (KMP's) for the year ended on 31st March 2024

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 on 31st March 2024:

Name of Managing Director/ KMP's	(INR in million)					
	Vivek Vikram Singh, Managing Director & Group CEO		Rohit Nanda, Group CFO		Ajay Pratap Singh, Group General Counsel, Company Secretary & Compliance Officer	
Financial Year	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Salary (including perquisites)	19.59	20.41	18.99	18.93	6.22	5.76
Variable Pay	15.98	11.21	10.50	6.29	3.49	2.14
ESOP Perquisite Value	107.78 [#]	93.00	60.44 [*]	44.77	22.81 [@]	12.53
Total	143.35	124.62	89.94	70	32.53	20.43

[#] Mr. Vivek Vikram Singh was 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 107.78 million. There was an increase of 7% in his remuneration during the Financial Year. The total remuneration is within the limit approved by the shareholders in the Annual General Meeting held on 14th July 2022.

^{*}Mr. Rohit Nada was 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 60.44 million. There was an increase of 7% in his remuneration during the Financial Year.

[@] Mr. Ajay Pratap Singh was granted 1,19,304 Options under Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 of the Company. Mr. Ajay has exercised 47,768 Options during the year under review, the perquisite value of which is INR 22.81 million. There was an increase of 14% in his remuneration during the Financial Year.

2. Remuneration paid to the Non-Executive Directors for the Financial Year ended on 31st March 2024

The Shareholders of the Company at the AGM held on 09th September 2021, have approved payment of remuneration to be paid to the Non-Executive Directors (including independent directors) not exceeding 3% of the net profits of the Company, calculated in accordance with Section 198 of the Act, in a manner as decided by the Board of Directors subject to upper limit of INR 70,000,000 (Indian rupees seventy million) for each Financial Year, for a period of five years from 2021-2022.

The Company does understand that it is important to remunerate well to the Independent Directors to get optimum benefit of their wisdom, experience and expertise for the benefit of all the stakeholders of the Company. The Board of Directors on the recommendation of the Nomination and Remuneration Committee in its meeting held on 03rd May 2023 has revised the sitting fees and commission payable to Non-Executive and Independent Directors of the Company with effect from 01st April 2023. The revised sitting fees for attending the meetings are as follows: (a) INR 25,000 for attending each meeting of the Board; (b) INR 10,000 for attending each meeting of Committees of the Board of the Company; and (c) commission as follows:

Name of the Director(s)	Designation	Existing Commission (inclusive of sitting fees) paid annually	Revised 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
Mrs. Manisha Girotra	Non-Executive Independent Director	-	INR 5,500,000

Details of the remuneration paid to the Directors for the services rendered during the Financial Year 2023-24, are as follows:

Directors	(INR in million)		
	Sitting Fees	Commission*	Total
Mr. Sunjay Kapur	-	24.00	24.00
Mr. Prasan Abhay Kumar Firodia	0.36	5.50	5.86
Mr. Amit Dixit	-	-	-
Mr. B.V.R. Subbu	0.28	5.50	5.78
Mrs. Shradha Suri	0.19	5.50	5.69
Mr. Jeffrey Mark Overly	0.38	8.20	8.58
Mrs. Manisha Girotra	0.07	1.38	1.45

*Commission paid to all, Non-Executive Directors of the Company is in accordance with the applicable laws and within the overall limit approved by the Shareholders of the Company in their Annual General Meeting held on 09th September 2021. There is no pecuniary or business relationship between the Non-Executive Director and the Company.

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

Further, no notice period and severance fee are payable to directors of the Company as on 31st March 2024. The Company has not granted any stock option to its Non-Executive Directors.

Role of Company Secretary in overall Governance Process

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

CEO & CFO Certification

The Managing Director & Group CEO and the Group Chief Financial Officer (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 30th April 2024 and is annexed as **Annexure- I** of this Report.

10. MEANS OF COMMUNICATION

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

Quarterly, half-yearly and annual financial results are published in 'Business Standard' in English language (all editions) and in Hindi language (Delhi edition).

Further, the Company as a good corporate governance practice 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.

The time permitted for unaudited quarterly results is within 45 (forty-five) days of the close of each quarter, other than the last quarter. The audited annual results are permitted within 60 (sixty) days from the end of the Financial Year as per the Listing Regulations.

The financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these are considered and approved.

The Company endeavour to announce its financial results within the shortest possible time. The details of the quarterly and annual financial results announced for the Financial Year 2023-24 is as under:

Quarter of Financial Year 2023-24	Board Meeting held for approval of financials (A)	Due date of Board Meeting as per the Listing Regulations (B)	Meeting held ahead of due date (No. of days) (C = B-A)
Quarter 1	27 th July 2023	14 th August 2023	18 days
Quarter 2	25 th October 2023	14 th November 2023	20 days
Quarter 3	23 rd January 2024	14 th February 2024	22 days
Quarter 4 & Annual	30 th April 2024	30 th May 2024	30 days

Website

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 disclosed information required under Regulations 46 of the Listing Regulations.

The website, *inter-alia*, 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 Manual which includes Investor's Charter and FAQs, shareholder's satisfaction survey, Sustainability Report, CSR details, stock information, shareholding patterns, quarterly corporate governance reports, details of unclaimed dividend, etc.

Press Release

All official press 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.

Annual Report and AGM Notices

In our endeavour to protect the environment, the Company has sent the Annual Report and AGM notices for the year 2023-2024 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 also 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

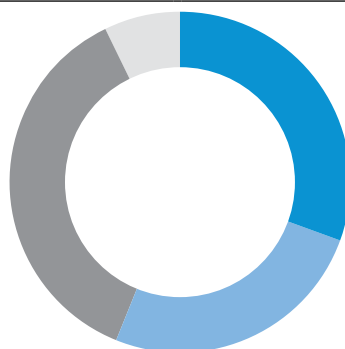
Investor's Charter and FAQs for the Shareholders

The Investor Relations page of the Company's website provides Shareholder's Manual which contains both **Shareholder's Charter** specifying the rights of the investors under various applicable laws and Rights of minority shareholders and '**Frequently Asked Questions**' on various topics related to transfers, transmissions and transportation 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 voluntary placed shareholders survey page on its website to facilitate the engagement of Shareholders in its endeavour to improve shareholders services which can be assessed at <https://sonacomstar.com/shareholders-survey>. Further, during the year under review, as good Corporate Governance practices, the Company has conducted Shareholder's Satisfaction survey in order to obtain the feedback of shareholders about services provided by the Company to them. The summary of the feedbacks received are as follows:

Summary



- Excellent (**30.57%**)
- Above Industry Standards (**25.81%**)
- As per Industry Standards (**36.54%**)
- Need Improvements (**7.09%**)

Reminder emails	Reminders are sent to shareholders for registering their PAN, KYC & nomination detail, bank details and unclaimed dividend thereto.
Analysts Presentation	<p>The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the conclusion of the Board Meeting held for the financial results.</p> <p>During the Financial Year under review, the Company conducted quarterly earnings calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company and on an average the company spent 1 hour 10 minutes per call. The Company promptly uploads the investor presentation, audio recordings and transcript of such calls on the website of the Company at https://sonacomstar.com/investor/investor-presentations.</p>
Green Initiative	All agenda papers for the board and committee meetings are disseminated electronically through e-mail and NASDAQ Boardvantage platform software.

General Shareholder's Information

1.	Date, time and venue of the Annual General Meeting	Friday, 28 th June 2024 at 12:00 noon (IST) through video conferencing (VC) /other audio-visual means (OAVM) .
2.	Financial Year	Financial Year of the Company is from 01 st April 2023 to 31 st March 2024.
3.	Dividend payment	<p>The Board of Directors in its meeting held on 23rd January 2024 has declared an interim dividend of INR 1.53 (One rupee and fifty-three paise only) per equity share of the Company having face value of INR 10 (Indian rupees ten only) each to those shareholders whose names appear in the register of members / beneficial owners on 05th February 2024 and the dividend was paid on 15th February 2024 directly to their bank accounts wherever the particulars were available and the demand draft were dispatched to those shareholders, whose bank details were not available with the Company or their depository.</p> <p>The Board of Directors at their meeting held on 30th April 2024 has recommended payment of INR 1.53 (One rupee fifty-three paise) per Equity Share of the Company having face value of INR 10 (Indian rupees ten only) each as the final dividend for the Financial Year ended 31st March 2024 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, 14th June 2024. 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:</p> <ol style="list-style-type: none"> BSE Limited (BSE) Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001 National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 <p>Further, the Company has paid the Annual listing fees to both above mentioned Stock Exchanges for FY 2024-25.</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 table below provide the monthly high and low prices of the Company's equity shares on BSE and NSE for the Financial Year 2023-2024.

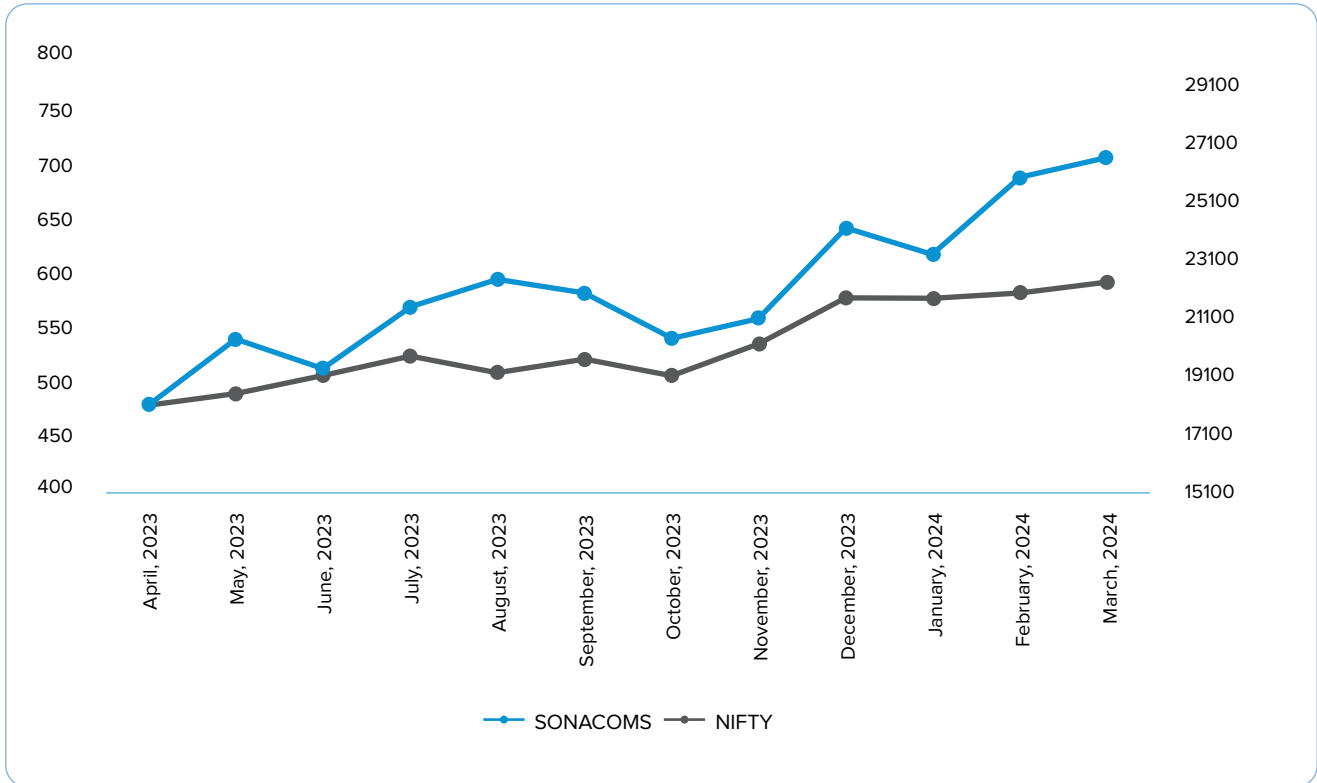
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2023	489.80	414.05	490.00	414.80
May, 2023	573.00	480.35	573.45	482.55
June, 2023	546.95	505.00	547.00	505.30
July, 2023	605.00	508.70	605.25	508.50
August, 2023	626.00	535.50	625.95	535.15
September, 2023	617.95	566.10	618.00	566.05
October, 2023	586.65	489.00	586.95	488.10
November, 2023	604.25	539.40	603.90	539.75
December, 2023	651.35	532.00	651.65	531.60
January, 2024	670.20	561.70	669.95	562.10
February, 2024	718.55	579.00	718.85	580.00
March, 2024	716.00	603.60	716.00	603.65



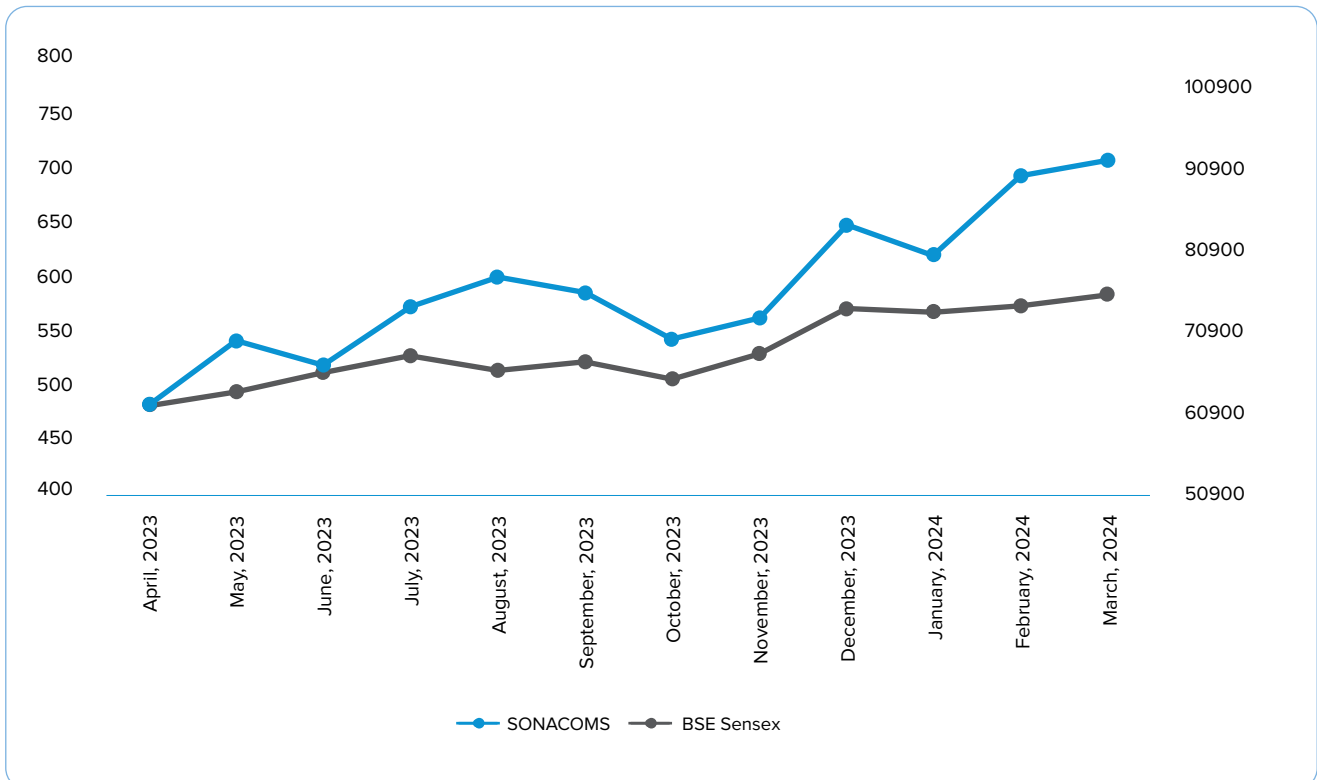
7. Stock performance in comparison to broad-based indices

The chart below shows the comparison of the Company’s monthly share price movement vis-à-vis the movement of the NSE Nifty and BSE Sensex for the Financial Year ended 31st March 2024 (based on the month end closing):

SONACOMS and NIFTY



8. SONACOMS and SENSEX



9. In case the Securities of the Company are Suspended from Trading, the reasons thereof

Not Applicable.

10. Registrar & Share Transfer Agent

KFin Technologies Limited
Selenium, Tower-B, Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally
Mandal, Hyderabad – 500 032
Toll Free/ Phone Number: 1800 3094 001
WhatsApp Number: (91) 910 009 4099
Fax: 040-2342 0814, 2300 1153
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

11. Share Transfer System

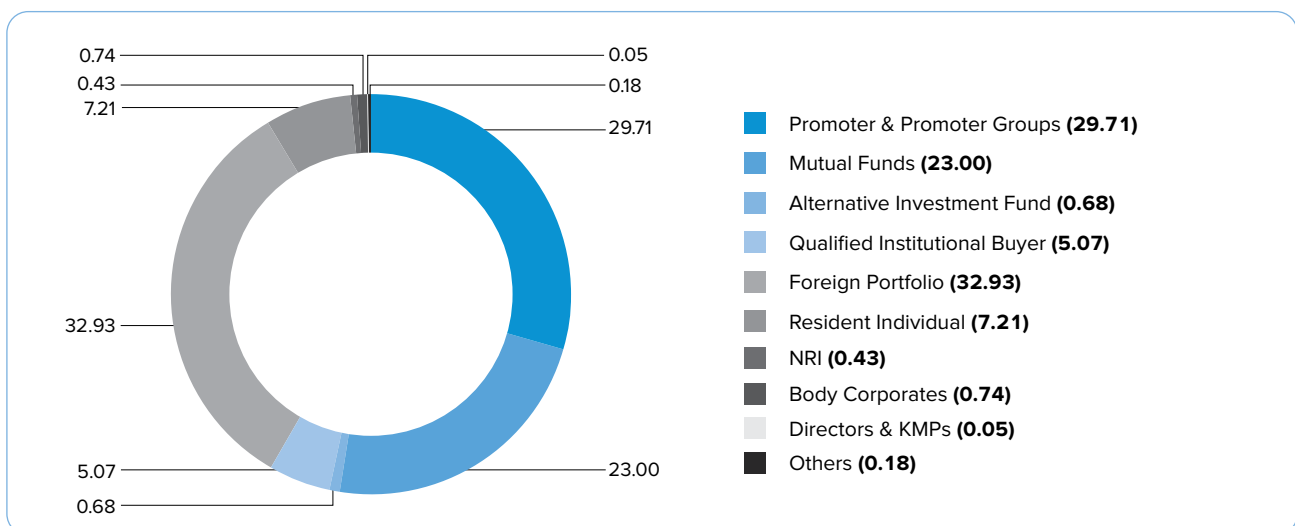
As mandated by SEBI, securities of listed companies can only be transferred in dematerialised form. The shares can be transferred by shareholders only through their Depository Participant.

The Stakeholders Relationship Committee meets every quarter to, inter alia, consider and take of the status of investor complaints, compliance report of RTA, initiatives taken by the Company to reduce the quantum of unclaimed dividend and address shareholders queries etc.

12. Category of shareholding as on 31st March 2024

S.No.	Shareholders' Category	No. of Shareholders	Total Shares	% (percentage of holding)
1.	Promoter & Promoter Groups	6	174,210,655	29.71
2.	Mutual Funds	24	134,891,374	23.00
3.	Alternative Investment Fund	17	4,016,780	0.68
4.	Qualified Institutional Buyer	15	29,720,878	5.07
5.	Foreign Portfolio Investors	538	193,129,689	32.93
6.	Resident Individual	399,517	42,278,969	7.21
7.	NRI	6,651	2,509,586	0.43
8.	Body Corporates	1,158	4,312,443	0.74
9.	Directors & KMPs	2	3,15,768	0.05
10.	Others (Banks, Trusts, HUFs, NBFCs and Clearing Members)	4,800	1,061,636	0.18
Total		4,12,728	5,86,447,778	100.00

Shareholders Category



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 01st April 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 25th January 2022, has mandated that securities shall be issued only in dematerialised mode while processing duplicate/unclaimed suspense/renewal /exchange / endorsement /sub-division/ consolidation/ transmission/transposition service requests received from physical securities holders.

SEBI has also mandated furnishing of PAN, contact details and bank account details by holders of physical securities. Further, SEBI has extended the last date for submission of "Choice of Nomination" on voluntary basis for demat account and mutual fund folios to 30th June 2024.

The Shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future while transferring the shares. Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account to seek guidance in the demat procedure.

Details of top 10 shareholders of the Company as on 31st March 2024

The details of the top 10 shareholders of the Company as on 31st March 2024 are as follows:

S.No.	Name of the shareholder	No. of shares	% (percentage of holding)
1.	Aureus Investment Private Limited	1,74,208,904	29.71
2.	Axis Mutual Fund Trustee Limited	39,675,502	6.77
3.	Government of Singapore	38,283,615	6.53
4.	SBI Magnum Equity ESG Fund	34,400,633	5.87
5.	Mirae Asset Midcap Fund	13,558,860	2.31
6.	Canara Robeco Mutual Fund	9,406,960	1.60
7.	Life Insurance Corporation of India	8,989,397	1.53
8.	Monetary Authority of Singapore	8,832,394	1.51
9.	Nippon Life India Trustee Limited	6,783,471	1.16
10.	Aditya Birla Sun Life Trustee Private Limited	6,001,553	1.02
Total		3,40,141,289	58.00

13. Dematerialisation of Shares and Liquidity

As on 31st March 2024, all the equity shares of the Company including the shareholding of Promotor and Promotor Group are in demat form except for 2 (two) equity shares which are in physical form, held with both the Depositories viz., the National Securities Depository Limited (**NSDL**) and the Central Depository Services (India) Limited (**CDSL**) and the break-up is as follows:

Description	As on 31 st March 2024		
	No. of Holders	No. of Shares	% to Total Shares
NSDL	124,946	557,440,333	95.05
CDSL	296,614	29,007,443	4.95
Physical	1	2	0.00
Total	421,561	586,447,778	100.00

The equity shares of the Company are frequently traded on both the stock exchanges.

Lock in details of the equity share capital of the Company as on 31st March 2024 are as follows:

S.No.	Name of Shareholders	Category	No. of equity shares in Lock-in	Lock-in Release Date
1.	Aureus Investment Private Limited (Formerly Known as Sona Autocomp Holding Private Limited)	Promoter	116,657,968	21.06.2024
Total			116,657,968	

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

Not Applicable.

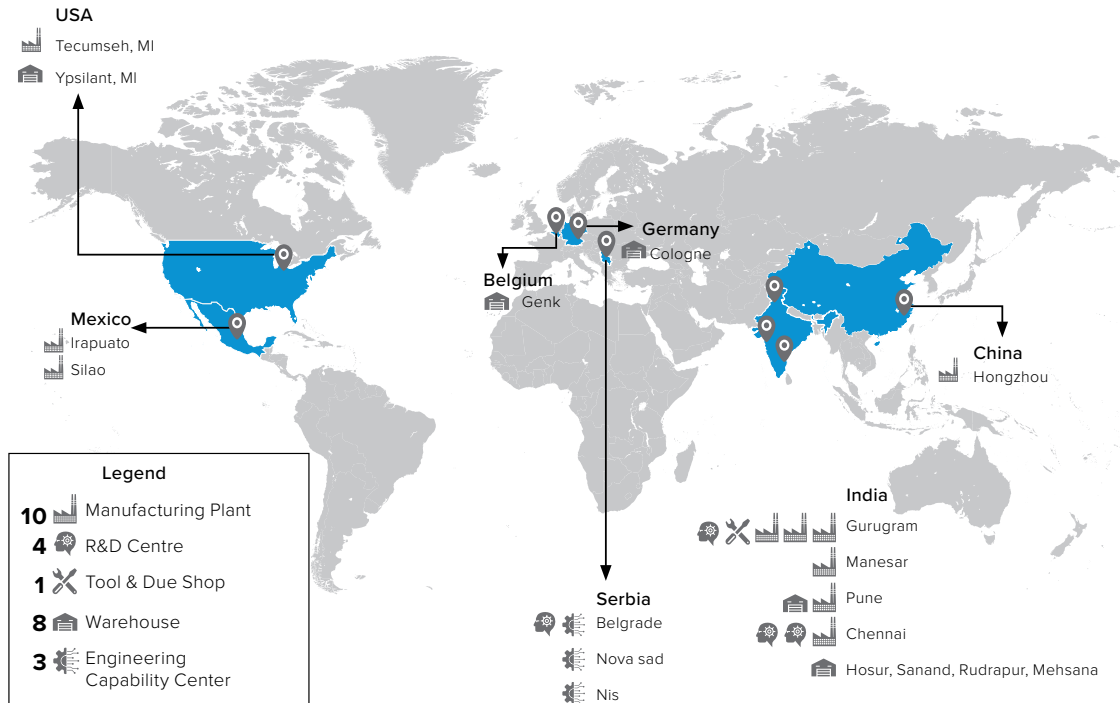
15. Commodity price risk or foreign exchange risk and hedging activities

Your Company operates internationally and a large portion of the business is transacted in international currencies primarily in US\$ and EUR. 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 carries out currency hedging based upon a Board approved hedging policy which primarily employs forward contracts as a medium of hedging its currency risk. On the commodity side, the Company consumes alloy steel, steel, aluminium, and copper as some of the major commodities directly or through procured components for manufacturing its products. Majority of this commodity price risk is a passthrough with some time lag depending upon customer contracts, therefore your Company doesn't specifically undertake commodity hedging separately.

16. Plant Locations

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

Your Company's manufacturing facilities (manufacturing and assembly plant) are located at Gurgaon, Manesar, Pune, Chennai, Hangzhou, Mexico, Tecumseh. The following map shows the locations of our manufacturing and assembly plants, R&D centers, engineering capability centers, warehouses, tool and die shop as on 31st March 2024.



Map not to scale.

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

Gurgaon Plants

Unit I, II and III

Sona Enclave, Village Begumpur Khatola Sector 35, P.O. - 90.

Gurgaon (Haryana) - 122 004, INDIA +91 124 476 8200 +91 124 410 4639.

Manesar Plant

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

Pune Plant

A-78/2, MIDC, Chakan Industrial Phase II Vill. 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 USA LLC
 900 Industrial Drive, Tecumseh, MI – 49286, USA.

Mexico

a. Comestel 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.

b. Sona BLW Edrive Mexicana, S.A.P.I. De C.V.
 Sona Comstar Building, Fipasi Industrial Park, (2nd Phase), Silao de la Victoria, 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 Agents at:

Kfin Technologies Limited

Selenium, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.

Tel: 040-2342 0818, 6716 2222

WhatsApp Number: (91) 910 009 4099

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, Gurgaon, Haryana – 122004, India.

Telephone: +91 0124 476 8200.

Contact Person: Ajay Pratap Singh, Group General Counsel, Company Secretary and Compliance Officer

E-mail: Investor@sonacomstar.com

Further, the Institutional Investor(s) can contact to Mr. Amit Mishra, Vice President-Investor Relationship at:

Mr. Amit Mishra

Sona BLW Precision Forgings Limited

Sona Enclave Village, Begumpur Khatola, Sector 35, Gurgaon, Haryana – 122004, India.

E-mail: amit.mishra@sonacomstar.com

Telephone: +91 0124 476 8200

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

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

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.

The Audit Committee, during the Financial Year 2023-24, 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).

The Audit Committee reviewed on a quarterly basis, the details of related party transactions, entered into by the Company pursuant to the omnibus approval granted.

The details of the related party transactions are set out in the note no. 36 of the standalone 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.

During the year under review, 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.

In addition to the above and as required under the Listing Regulations, the Company is in compliance with the Accounting Standards on related party disclosures, has been submitting disclosures of related party transactions to the Stock Exchanges in the prescribed format from time to time and also publishing it on the website of the Company.

The Policy on Related Party Transactions is disclosed on the Company's website at <https://sonacomstar.com/policies-and-codes>

Details of Non-Compliance

No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market, during the last three years except the below mentioned penalty imposed during the period under review:

- A penalty of INR 3,000 (Indian rupees three thousand) and INR 9,000 (Indian rupees nine thousand) each were levied on the Company for certain non-compliance observed by the officer of Government of Tamil Nadu (Department of Labour), Office of the Assistant Commissioner (Labour), Chengalpattu, who conducted the inspection during the year.
- A penalty of INR 6,08,264 (Indian rupees six lakhs eight thousand two hundred sixty four only) was levied on the Company under section 11AC (1) (C) of the Central Excise Act, 1944 via Order dated 18th January 2024 in relation to the Adjudication Proceedings conducted by the Directorate General of GST Intelligence, under the Central Excise Act, 1944 for the period starting from Financial Year 2014-2015 to Financial Year 2017-18.

Your Company has complied with all the requirements of regulatory authorities. The Company filed the appeal against the aforesaid Order.

Vigil Mechanism/Whistle Blower Policy

The Company has a well-defined Whistle Blower Policy and the same is also covered in the Code of Conduct and Business Ethics of the Company.

During the year, no person 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 accessed at <https://sonacomstar.com/policies-and-codes>

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

11. 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. Your 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 NRC 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.

Whilst recommending the appointment of a director, the NRC considers the manner in which, the function and domain expertise of the individual, could contribute to the overall skill-domain mix of the Board.

Considering rapidly changing business environment, the existing skillsets for directorship, basis the benchmarking of the skill sets with the other companies in the automotive industry was revised during the period under review. The revised skillsets are as follows:

Strategic Thinking, Planning and Management
Entrepreneurial and Leadership Skills
Accounting, Legal and Financial Management expertise
Global Exposure
Automotive Technology
Regulatory Compliance and Stakeholder Management
Information Technology/Cyber Security
Corporate Governance, Sustainability, and ESG
Risk Management

The Board of Directors review 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>

12. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS

All the mandatory requirements of the Listing Regulations relating to Corporate Governance has been duly complied by the Company in letter and spirit including certain discretionary disclosure requirements such as:

a) Separate posts of Chairman and CEO

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

b) Office for Non-Executive Chairman

The Company is maintaining an office for the exclusive use of Mr. Sunjay Kapur, Non-Executive Director and Chairperson of the Company at one of its manufacturing premises including staff etc., the expense of which are borne by the Company.

c) Unmodified Audit Opinion

During the year under review, there is no audit qualification in your Company's consolidated and standalone financial statements.

d) Shareholder's Rights

As a matter of Good Corporate Governance practice, the quarterly Financial Results of the Company are being sent to those shareholders who have registered their email-ids with their respective Depository Participants.

During the period under review, the Company took the following initiatives for protecting the rights of its shareholders:

- Formation and publication of **Investor Grievance Redressal Policy** on the website of the Company which can be accessed at <https://sonacomstar.com/files/policy/investor-grievance-redressal-policy-policy-hCONqg.pdf>
- Formulation and publication of **Investor's Charter** specifying the rights of the investors under various applicable laws and protection of minority shareholders from oppression and mis-management and Frequently Asked Questions (FAQs) which can be assessed at https://sonacomstar.com/files/shareholders_manual.pdf
- The Company conducted **Shareholder's Satisfaction Survey** in order to obtain the feedback of shareholders about services provided by the Company to them.



13. CORPORATE GOVERNANCE INITIATIVES

The Company is committed to implement best corporate governance practices and upholding the highest business standards in conducting business and has adopted the following additional practices to enhance the Corporate Governance Standards:

1. Focus on ethical issues, human rights, diversity & inclusion, fair work practices, sustainability across and its value chain partners.
2. Third party audit on the ethical compliances.
3. Risk Management, Cyber Security, implementation of Data Privacy framework.
4. Quarterly Secretarial Audit Report is placed before the Audit Committee and the Board.
5. Quarterly Compliance Certificates from all the department heads, giving the status of the compliances, are placed before the Audit Committee and the Board.
6. Meeting of the Auditors (Internal Auditors, Cost Auditors, Statutory Auditors and Secretarial Auditors) with the Audit Committee without the presence of management to discuss the process and flow of information for Audit, once in a year.
7. The Chairperson of all the Statutory Committee of the Board of the Company are Independent.
8. Taking inputs from the Chairperson of the respective Committees and Board on the agenda and the minutes, before circulating to the larger group.
9. Implementation of various tools for monitoring the compliances status, as follows:
 - a) **Legal Risk Management System (LRMS):** Repository of Ethical policies framework and modules. It gives a bird's eye view of the statutory compliance framework of the Company and status in real time.
 - b) **Insider Trading Tool:** To update information required under the SEBI PIT Regulations and for providing rapid, accurate, and timely information on the trading done/to be done by the DP.
 - c) **Nasdaq Boardvantage Tool:** It is board portal software with an interface and robust security features that allows the Board/ management to access the all the of the Board/committee's

meetings related documents conveniently and efficiently.

10. Review and update of the policies and codes from time to time for best corporate governance practices and conducting training for the employees, and Value chain partners.
11. Conducted trainings and awareness sessions and update through flyers for its designated persons to prohibit the insider trading and familiarising them with the requirement of the PIT Regulations.
12. Benchmarking the Company's Corporate Governance Practices with the best governed companies in India and globally.
13. Voluntary independent assessment of the Corporate Governance practices.
14. Voluntary impact assessment of the CSR projects of the Company.

14. 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>

Details of Subsidiaries of the Listed Entity

The Audit Committee reviews the financial statements of the subsidiaries. It also reviews the investments made by such subsidiaries, the statement of all significant transactions and arrangements entered into by subsidiaries and the compliances of each materially significant subsidiary on a periodic basis. The Audit Committee also reviews the utilisation of loans/ advances/ investments given by the Company to its subsidiaries. The minutes of Board meetings of the subsidiary companies are placed before the Board for review.

The details of subsidiaries of the Company are given below:

S. No.	Name of the Subsidiaries	Place/ of Incorporation	Date of Incorporation	Statutory Auditor
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 Accountants LLP
9	Comstar Hong Kong Mexico No. 1, LLC (dormant)	USA	01.12.2016	Walker Chandiok & Co LLP (group perspective)
10	Sona BLW Edrive Mexicana, S.A.P.I. De C.V.	Mexico	23.06.2023	Walker Chandiok & Co LLP (group perspective)
11	NOVELIC d.o.o. Beograd – Zvezdara	Serbia	13.11.2012	Grant Thornton d.o.o Beograd
12	NOVELIC SRL	Romania	29.03.2023	Grant Thornton d.o.o Beograd
13	NOVELIC ESC DOOEL Skopje	North Macedonia	24.03.2023	Grant Thornton d.o.o Beograd
14	Nirsens d.o.o. Beograd-Zvezdara	Belgrade, Serbia	28.06.2018	Grant Thornton d.o.o Beograd

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- B** to this report.

Acceptance of Recommendation of Board Committees

During the Financial Year 2023-24, 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

Total fees paid by the Company and its subsidiaries on a consolidated basis for the Financial year ended 31st March 2024, to the Statutory Auditors viz. Walker Chandiok & Co LLP, Chartered Accountants Firm's Registration No.: 001076N/

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 2023-24, 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 except the followings loan, guarantee and security provided by the Company and its subsidiaries:

N500013 and all entities in the network firm/ network entity of which the Statutory Auditors are a part, are as follows:

		(INR in million)
S. No.	Particulars	Amount
(a)	For Statutory Audit	12.56
(b)	For other services	1.21
(c)	For reimbursement of expenses	1.04
	Total	14.81

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 2023-24:

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



Name of the Giving Entity	Name of Receiving Entity	Amount	Loans/Advances/ Guarantee	Date
Sona BLW Precision Forgings Limited	Sona BLW eDrive Mexicana S.A.PI.DE.C.V	USD 127,384.95	Guarantee	13.10.2023
Sona BLW Precision Forgings Limited	Sona BLW eDrive Mexicana S.A.PI.DE.C.V	USD 382,154.85	Guarantee	15.11.2023
Sona BLW Precision Forgings Limited	Comstar Automotive Hongkong Limited	Letter of Comfort	Letter of Comfort	28.04.2023
Comenergia Automotive Technologies Mexicana, S.de R.L.de C.V	Comestel Automotive Technologies Mexicana, S.de R.L.de C.V	USD 50,000	Loan	20.12.2023

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 of the Listing Regulations and Mr. Sunjay Kapur, Non-Executive Director of the Company is holding the position of the Chairperson.

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

Disclosures with respect to demat suspense account/ unclaimed suspense account

As on 31st March 2024, 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 dividend till 30th November 2023, at their registered address with the RTA/Depository Participants on 22nd December 2023.

Further, the Company as a good corporate governance practice is sending the financial results of every quarter to the shareholders of the Company, with a request to update their contacts & Nomination details and bank details with their DPs, for timely receipt of dividend amount. 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.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS OF SONA BLW PRECISION FORGINGS LIMITED FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2024

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

To,

The Members of

Sona BLW Precision Forgings Limited

Sona Enclave, Village Begumpur Khatola,
Sector 35, Gurgaon, Haryana - 122004

- We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sona BLW Precision Forgings Limited ("the Company") having CIN: L27300HR1995PLC083037 and having registered office at Sona Enclave Village Begumpur Khatola, Sector 35, Gurgaon, Haryana - 122004, produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of Directors of the Company as stated below for the Financial Year ended on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Director	Date of appointment in current term
1.	00029664	Mr. Prasan Abhaykumar Firodia	27/01/2021
2.	00145529	Mr. Sunjay Kapur	05/07/2019
3.	00176902	Mrs. Shradha Suri	05/08/2020
4.	00289721	Mr. Subbu Venkata Rama Behara	05/07/2019
5.	01798942	Mr. Amit Dixit	05/07/2019
6.	07698495	Mr. Vivek Vikram Singh	05/07/2022
7.	09041143	Mr. Jeffrey Mark Overly	12/02/2021
8.	00774574	Mrs. Manisha Girotra	01/01/2024

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

**For PI & Associates,
Company Secretaries**

**Nitesh Latwal
Partner**

ACS No.: A32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109F000308242

Date: 30th April 2024

Place: New Delhi



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 2023-24:

S. No.	Name of the Directors and KMPs	Designation	Remuneration (including sitting fees paid to independent directors) (INR million)	Ratio of Remuneration of Directors to the Median Remuneration of employees	(%) increase of remuneration in Financial Year 2023-24 [~]
1.	Sunjay Kapur	Chairperson and Non-Executive Nominee Director	24.00	30.00	-
2.	Amit Dixit	Non – Executive Nominee Director	-	-	-
3.	Ganesh Mani [#]	Non – Executive Nominee Director	-	-	-
4.	Prasan Abhaykumar Firodia	Independent Director	5.86	7.33	-
5.	B.V.R Subbu	Independent Director	5.78	7.23	-
6.	Shradha Suri	Independent Director	5.69	7.13	-
7.	Jeffrey Mark Overly	Independent Director	8.58	10.73	-
8.	Manisha Girotra ^{\$}	Independent Director	1.44	1.81	-
9.	Vivek Vikram Singh	Managing Director and Group Chief Executive Officer	143.35 [*]	179.19	7
10.	Rohit Nanda	Group CFO & Chief Risk Officer	89.94 [^]	112.43	7
11.	Ajay Pratap Singh	Group General Counsel, Company Secretary and Compliance Officer	32.53 [@]	40.16	14

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

^{\$}Appointed as an Independent Director of the Company, effective from 01st January 2024.

[#]Mr. Ganesh Mani, Non-Executive Director, retired from the directorship of the Company w.e.f. 19th July 2023.

^{*}Includes perquisite value of INR 107.78 million on account of exercise of 220,696 Options under the “Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020”.

[^]Includes perquisite value of INR 60.04 million on account of exercise of 1,19,300 Options under the “Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020”.

[@]Includes perquisite value of INR 22.81 million on account of exercise of 47,768 Options under the “Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020”.

2. The percentage increase in the median remuneration of employees in the Financial Year 2023-24:

Median remuneration of previous year 2022-23 (INR million)	Median remuneration of current year 2023-24 (INR million)	% increase [#]
0.86	0.81	(5.81)%

[#] While calculating the percentage increase in remuneration, the perquisites value of ESOP is not considered.

3. The number of permanent employees on the rolls of the Company as on 31st March 2024:

1457 employees

4. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

S. No.	Particulars	Average % increase*
1.	Increase in salary of Key Managerial Personnel	9.33%
2.	Increase in salary of employees (other than Managerial Personnel)	12.80 %

*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 for Directors, Key Managerial Personnel, Senior Management Personnel and Other Employees of the Company.

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

**Sunjay Kapur
Chairman
DIN:00145529**

**Place: Gurgaon
Date: 30th April 2024**

B. 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 2024.

I. Details of top 10 employee(s) employed throughout the Financial Year, in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:

S. No.	Name	Designation	Remuneration* Received (₹ 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	143.35	Permanent	B. Tech (Computer Science and Engineering) from HBTI, Kanpur and PGDM from IIM, Ahmedabad	19	44	01 st July 2016	JTEKT India Ltd.	0.052
2.	Mr. Vikram Verma Vadapalli	Chief Executive Officer- Driveline Business	114.27	Permanent	B. Tech (Mechanical Engineering) from REC, Surathkal	42	64	01 st April 2007	JTEKT India Ltd.	0.058
3	Mr. Sat Mohan Gupta	Chief Executive Officer- Motor Business	109.55	Permanent	M.com and member of CMA	40	62	10 th November 1997	Daewoo Motor India Ltd.	0.044
4.	Mr. Rohit Nanda	Group Chief Financial Officer & Group Chief Risk Officer	89.94	Permanent	B.Com and Chartered Accountant	28	51	11 th April 2019	Usha Martin Ltd.	Nil
5.	Mr. Ranganathan Balaji	President & Chief Operating Officer (Operations)-Driveline Business	54.37	Permanent	B. Tech & Post Graduate Diploma in International Business from IIFT	35	55	01 st April 2017	JTEKT India Ltd.	0.013
6.	Mr. Ajay Pratap Singh	Group General Counsel, Company Secretary & Compliance Officer	32.53	Permanent	LLB-University of Delhi, Company Secretary and Certificate in Competition Law from ICA, New Delhi	24	49	24 th February 2020	Hindustan Construction Company Limited, Mumbai	0.002
7.	Mr. Kiran Manohar Deshmukh**	Group Chief Technology Officer	30.16	Permanent	B. Tech (Metallurgical Engineering) from IIT, Bombay	48	70	01 st July 2019	SKAP Forging Private Limited	0.007
8.	Mr. Praveen Chakrapani Rao***	President- R&D Management	21.73	Permanent	BE and MS	32	54	08 th February 1998	TACO VISTEON	0.002
9.	Mr. Vaithyanathan M	President & Chief Operating Officer (Operations)- Motor Business	19.34	Permanent	B.TECH, MBA, PGDMM	33	57	20 th November 2007	LUCAS TVS LTD	Negligible
10.	Mr. Muruganandam R	Senior Vice President- R&D Management	17.16	Permanent	BE (ECE), MS (Electro. & Ctrl's)	35	57	09 th July 1999	LTM LTD CHENNAI (L&T-MCNEIL LTD)	0.005%
11.	Amit Mishra	Vice President-Investor Relationship	12.67	Permanent	BE in Mechanical & Finance PGDM (MBA)	18	41	08 th December 2021	Antique Stock Broking	Nil

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

** Superannuating from the Company on 31st October 2024

*** Designated as Chief Technology Officer of the Company w.e.f. 01st November 2024.

II. Employee(s) employed for a part of the Financial Year, in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month: None

III. Employee(s) employed throughout the Financial Year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: None

Notes: None of the employee is a relative of any director of the Company.

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial 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 to us on a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon for the Financial Year ended on 31st March 2024 (**Audit Period**). The Company is engaged in the business of manufacturing of global automobile systems and components. 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 authorised 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

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. During the Audit Period, following changes have occurred in composition of Board of Directors, namely:
 - a) Mr. Ganesh Mani ceased to hold office as Non-Executive and Nominee Director of the Company due to his retirement on the conclusion of 27th AGM i.e., 19th July 2023.
 - b) Ms. Manish Girotra was appointed as an Additional and Independent Director of the Company w.e.f. 01st January 2024 for a period of five year i.e., upto 31st December 2028. Such appointment was regularised by shareholders of the Company through postal ballot conducted by the Company effective from 01st March 2024.
- (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 Company vide stock exchange intimation dated 28th June 2023, has disclosed about incorporation of a wholly owned subsidiary "Sona BLW Edrive Mexicana, S.A.P.I. DE C.V." in Mexico for the purpose of manufacturing and assembly of bevel gears, differential assemblies and/or any other activities ancillary and incidental thereto in Mexico. In that regard, the Board of Directors of the Company has also approved an investment of USD 1.6 million (in equivalent Mexican Pesos) in one or more tranches in the form of share capital in aforementioned wholly owned subsidiary.
- b. The Board of Directors in their meeting dated 25th October 2023, has approved the incorporation of one or more special purpose vehicle (SPV) wherein the Company will invest INR 75 million approx. for acquiring 26% in the form of the equity share capital of the SPV and remaining 74% of the equity share capital will be acquired by the CleanMax Enviro Energy Solutions Pvt. Ltd. (developer). In that regard, the Company vide stock exchange intimation dated 24th January 2024 and 23rd February 2024 has further disclosed that they have executed definitive documents with CleanMax Enviro Energy Solutions Pvt. Ltd. for setting up captive power generating facility in the state of Haryana (through SPV 'CleanMax Calypso Private Limited') and Maharashtra (through SPV 'CleanMax Nova Private Limited') respectively.

**For PI & Associates,
Company Secretaries**

**Nitesh Latwal
Partner**

ACS No.: 32109

CP No.: 16276

Date: 30th April 2024

Place: New Delhi

Peer Review No.: 1498/2021

UDIN: A032109F000308242

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 a 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's 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: A032109F000308242

Date: 30th April 2024

Place: New Delhi



ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2023-24

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 society at large through its CSR programs. The Company is committed to the overall upliftment of society through education, women empowerment, environmental sustainability, disaster management, Skill development, health care and sanitation. The Company adopt appropriate business processes and strategies to achieve the above objectives.

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 to specify the activities and programs to be undertaken and also specify the modalities of execution and implementation and monitoring process of such Programs.

During the year the Company have won the prestigious CII-ITC Sustainability Awards, 2023-Commendation for Significant Achievement in Corporate Social Responsibility by Confederation of Indian Industry (**CII**). The Company was also conferred CSR Times Awards 2023-Gold, in the 10th National CSR Summit, by CSR Times.

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. The Company has a well defined standard operating procedure for implementation of its CSR programs.

The Company's CSR interventions is an endeavor to connect with real Bharat and consist of six pillars that aim to strengthen 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 includes the measures like:

- supporting projects that promote innovations, incubations in mobility solutions aimed at reducing dependence on fossil fuels;
- collaborating and contributing to programs 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 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 programs, camps and events;
- supporting in development of infrastructure in health care centers, hospital and dispensaries;
- supporting to specific projects/programs 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 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 focus on through measures like:

- providing employability and promotion of skill development Programs 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 recognised sports, Paralympic sports and Olympic sports;
- promoting education, employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement;
- partnering with government education departments, institutions and organisation for promoting education and development of model schools, development of infrastructures like hostels, classrooms, e-learning techniques etc.;
- 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 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 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(s)	Designation / Nature of Directorship	Number of meetings of CSR Committee eligible to attend during the year (Total 5 meeting held)	Number of meetings of CSR Committee attended during the year
1.	Prasan Abhaykumar Firodia	Chairperson, Independent Director	5	5
2.	Sunjay Kapur	Member, Non-Executive Nominee Director	5	4
3.	Shradha Suri	Member, Independent Director	5	3
4.	Manisha Girotra*	Member, Independent Director	2	2
5.	Ganesh Mani [^]	Member, Non-Executive Nominee Director	1	1

*Mrs. Manisha Girotra was appointed as member of the committee w.e.f. 23rd January 2024.

[^]Mr. Ganesh Mani, Non-Executive Director, retire from the directorship of the Company w.e.f. 19th July 2023.



3. PROVIDE THE 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 Company, 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, has approved the annual action plan / projects, the details of which are available on our website, at https://sonacomstar.com/investor/corporate-social-responsibilities

4. PROVIDE THE 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 M/s. InGovern Research Services Private Limited and Bluesky Sustainable Business LLP to carry out independent third-party Impact Assessment studies for the following CSR projects completed in Financial Year 2023-24:

- Sona-Comstar – IIT-Delhi Innovation in Mobility Program-“**Incubators FY 2024**”.
- Contribution to Centre for Innovation Incubation and Entrepreneurship Building (**CIIE Initiatives, IIM-A**).
- Sona Comstar **Tata Strive Skill Development Centre in Chennai**.
- Sona Comstar-Digital Literacy Centres by **Youthreach**.
- Construction/renovation and maintenance of basic infrastructure in **Govt. Schools in Tamil Nadu**.
- Sona Comstar Scholarship with Ashoka University.

As per MCA General Circular No. 14/2021 dated 25th August 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 Summary for Impact Assessment Reports of the applicable projects, is annexed with this

Annexure and the complete Impact Assessment Reports of the applicable projects can be accessed at <https://sonacomstar.com/investor/annual-reports-and-returns>.

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 3,347,511,322 (Rupees three billion three hundred forty seven million five hundred eleven thousand three hundred twenty two).

(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 66,950,226 (Rupees sixty six million nine hundred fifty thousand two hundred twenty six).

(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+5c-5d)**

INR 66,950,226 (Rupees sixty six million nine hundred fifty thousand two hundred twenty six).

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):**

INR 48,785,076 (Rupees forty eight million seven hundred eight five thousand seventy six).

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		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	
				State	District						Name	CSR Registration number
1.	Contribution to Foundation for Innovation and Technology Transfer (FITT)- "Sona-Comstar – IIT-Delhi Innovation in Mobility Program- Incubators-FY 2024"	(ix)	No	Delhi	South Delhi	3 years	12,512,295	55,06,113	70,06,182	Yes	-	-
2.	Construction/renovation and maintenance of basic infrastructure in Govt. School in Tamil Nadu	(ii)	Yes	Tamil Nadu	Kanchipuram	2 years	6,922,700	5,958,565	964,135	Yes	-	-
3.	Contribution to Centre for Innovation Incubation and Entrepreneurship Building (CIE Initiatives, IIM-A)	(ix)	No	Gujarat	Ahmedabad	4 years	12,000,000	12,000,000	0	Yes	-	-
4.	Sona Comstar Tata Strive Skill Development Centre in Chennai	(ii)	Yes	Tamil Nadu	Kanchipuram	3 years	1,87,35,880	1,41,73,398	45,62,482	No	Tata Community Initiative Trust	CSR00002739
5.	Sona Comstar-Digital Literacy Centres by Youthreach	(ii)	Yes	Haryana	Gurgaon/ Manesar	2 years	45,06,040	30,00,000	15,06,040	No	Youthreach	CSR00000083
Total							54,676,915	40,638,076	14,038,839			

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 allocated 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 with Ashoka University	(ii)	No	Haryana	Sonipat	8,147,000	Yes	-	-
Total						8,147,000			

(b) Amount spent in Administrative Overheads: INR 3,347,511 (Rupees three million three hundred forty seven thousand five hundred eleven).

(c) Amount spent on Impact Assessment, if applicable: INR 778,800 (Rupees seven hundred seventy eight thousand eight hundred).

(d) Total amount spent for the Financial Year (6a+6b+6c): INR 52,911,387 (Rupees fifty two million nine hundred eleven thousand three hundred eighty seven).

(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
*52,911,387	14,038,839	16 th April 2024	NA	NA	NA

* The amount spent includes the administrative expenses and cost of CSR 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 2020-21, FY 2021-22 and FY 2022-23)	66,950,226
(ii)	Total amount spent for the Financial Year 2023-2024	52,911,387
(iii)	Excess amount spent for the Financial Year 2023-2024 [(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)
S. 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 the succeeding Financial Years. (in INR)	Deficiency, if any
					Amount (in INR)	Date of transfer		
1.	FY 2020-2021	*15,000,000	0	0	NA	NA	0	-
2.	FY 2021-2022	15,000,000	4,050,000	4,050,000	NA	NA	0	-
3.	FY 2022-2023	11,551,703	11,551,703	11,250,203	NA	NA	301,500	-

*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) and INR 5 million was transferred by the Company to their respective Unspent CSR Account on 17th April 2021.

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

Yes No

If yes, enter the number of Capital assets created/ acquired: N.A.

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 2023-24, the Company has spent INR 52,911,387 on various projects. The unspent balance of INR 14,038,839/- towards 4 ongoing projects namely; “Sona-Comstar – IIT-Delhi Innovation in Mobility Program-Incubators-FY 2024”, Construction/renovation and maintenance of basic infrastructure in Govt. School in Tamil Nadu, Sona Comstar Tata Strive Skill Development Centre in Chennai, and Sona Comstar-Digital Literacy Centre(s) by Youthreach 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: 30th April 2024
Place: Gurgaon

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 under review, the Company was able to achieve energy savings through various operations initiatives as under:

- Interlocking of motors with the process to eliminate idle running losses.
- Day Timers incorporated for controlling shop floor & streetlights and air-conditioning.
- Replacement of old IE2 motors with IE3 motors.
- Installation of Energy efficient ACs (5-star Inverter type).
- Motion sensors installed to eliminate.
- Energy efficient hydraulic power pack installed on CNC machines.
- Improved efficiency of Induction heaters by incorporation of technical features to reduce wastage of energy.
- Improved energy efficiency of washing machine with introduction of chemicals for low temperature washing.
- Improved cycle time in forging & heat treatment processes.
- Standalone machine fans have been replaced with HVLS fans.
- Installed Variable frequency drive in Air compressor.

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

At present the Company has 2.92 MWp rooftop solar power capacities distributed across all the manufacturing units of the Company, which have generated 2.895 million kWh and is approximate 3.95% of our total energy consumption during the Financial Year. Further, the Company has executed definitive documents with CleanMax Enviro Energy Solutions Private Limited (**CleanMax**) for setting up captive power generating facility in the state of Haryana and Maharashtra having solar capacity of

14.85 MWp and 4.00 MWp respectively. The Board of the Company has approved setting up of 2.5 MWp group captive power generating facility at the plant of the Company at Chennai, Tamil Nadu.

(iii) The capital investment on energy conservation equipment's

During the Financial Year 2023-24, the Company invested on the following energy saving initiatives:

1. Installation of Active Harmonic Filter 300A - INR 1.9 million
2. Setting up of energy efficient 4000 KVA Transformer – INR 5.45 million
3. Replacement of old air conditioners with more energy efficient air conditioners - INR 5.84 million
4. Cassette Ac for Assembly Line – INR 1.4 million
5. Replacement of Standalone machine fans with HVLS fans 12nos – INR 3.3 million
6. Energy efficient IE3 motors installation- INR 0.22 million
7. Replacement of Old AC with 5-star Energy efficient ACs – INR 1.04 million
8. Installation of VFD for air compressor- INR 0.74 million

B TECHNOLOGY ABSORPTION

1. Efforts in made towards Technology Absorption

1. Company has complete know-how of design and manufacturing of bevel gears through precision warm forging & validation with respect to the Electric & Non-electric vehicle requirement.
2. Developed in-house capabilities for the driveline products
 - a. Die design
 - b. Die manufacturing
 - c. Gear design
 - d. Bevel gear manufacturing
 - e. Differential Assembly design & manufacturing
 - f. Laser welding
 - g. Gear skiving
 - h. Helical Gear grinding
 - i. Simulation techniques
 - j. Testing techniques



3. Innovation done in integrated motor controller on efficient thermal management.
 4. High Voltage Technology absorbed and adapted.
 5. Developed Hardware Lab to qualify the PCB Assembly before integration and testing with motors.
 6. Software Test Automation: Developed HIL and VT system tools to test the software modules.
 7. Developed test vehicles to qualify the parts before shipping to customers.
- 2. Benefits derived like product improvement, cost reduction, product development or import substitution**
- a. Cost reduction and reduction in “Time to Market”.
 - b. Complete indigenisation of tooling resulting in superior products compared to competition.
 - c. Developed A and B samples along with vehicle test samples of the Integrated Motor Controller.
 - d. Reduced the hardware validation time using the inhouse test lab.
 - e. Reduced the software validation time using the test automation.

- f. Confirm the robustness with additional vehicle test to improve the customer satisfaction.

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

(INR in million)		
S.No.	Particulars	Amount
1.	Revenue expenditure	369.75
2.	Capital expenditure	423.38
	Total	793.13

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(INR in million)		
S.No.	Particulars	Amount
1.	Foreign exchange outgo during the Financial Year	4,623.13
2.	Foreign exchange earnings during the Financial Year	15,642.93

Annexure - G

DECLARATION

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

I, Vivek Vikram Singh, Managing Director & Group CEO of the Company, hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2023-24.

For **Sona BLW Precision Forgings Limited**

Date: 30th April 2024
Place: Gurgaon

Vivek Vikram Singh
Managing Director & Group CEO
DIN: - 07698495

CORPORATE GOVERNANCE 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, your Company has formulated various policies, as mentioned below, in accordance with the requirements of the Companies Act, 2013 (**Act**), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable laws.

The Company has also implemented various other policies as part of its Governance and Ethical Compliance framework. Some of these policies are available on the website of the Company, on voluntary basis, on the link given below.

These policies are reviewed periodically and updated from time to time by the Company.

A. Policies as per the Act, Listing Regulations and other applicable laws:

Name of the Policy	Website Link
Code of Conduct for Prevention of Insider Trading	https://sonacomstar.com/files/policy/code-of-conduct-for-prevention-of-insider-trading-policy-mHAWqS.pdf
Whistle Blower Policy	https://sonacomstar.com/files/policy/whistle-blower-policy-policy-MUwqe2.pdf
Prevention of Sexual Harassment Policy	https://sonacomstar.com/files/policy/posh-policy-policy-s7HMW2.pdf
Policy on Related Party Transactions	https://sonacomstar.com/files/policy/policy-on-related-party-transactions-policy-AIHMo.pdf
Code of Conduct Board and Senior Management	https://sonacomstar.com/files/policy/code-of-conduct-board-and-senior-management-policy-DISxoZ.pdf
Familiarisation Programme	https://sonacomstar.com/files/policy/familiarisation-programs-policy-eq2rwZ.pdf
Cookie Policy	https://sonacomstar.com/files/policy/cookie-policy-policy-7F83Ag.pdf
Privacy Notice	https://sonacomstar.com/files/policy/Privacy_Notice.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-6WONEP.pdf
Risk Management Policy	https://sonacomstar.com/files/policy/risk-management-policy-policy-NTCFLh.pdf
Fair Disclosure of Unpublished Price Sensitive Information	https://sonacomstar.com/files/policy/fair-disclosure-of-upsi-policy-yzFKhp.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-ODb8qb.pdf
Nomination and Remuneration Policy	https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-DqCLrU.pdf
Dividend Distribution Policy	https://sonacomstar.com/files/policy/dividend-distribution-policy-policy-oW38wX.pdf
Corporate Social Responsibility Policy	https://sonacomstar.com/files/policy/corporate-social-responsibility-policy-policy-K6JBXy.pdf
Succession Planning Policy	https://sonacomstar.com/files/policy/succession-planning-policy-policy-SYOpD5.pdf
Policy on Preservation of Documents	https://sonacomstar.com/files/policy/policy-on-prevention-of-documents-policy-tPw29X.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
Archival Policy	https://sonacomstar.com/files/policy/archival-policy-policy-d5uF7K.pdf
SEBI Circular on Online Dispute Resolution	https://www.sebi.gov.in/legal/master-circulars/aug-2023/online-resolution-of-disputes-in-the-indian-securities-market_75220.html



B. Policies as part of Governance & Ethical Compliance Framework

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
Code of conduct for Vendors/ Suppliers	https://sonacomstar.com/files/policy/code-of-conduct-for-vendor-policy-ra1ALK.pdf
Anti-Bribery and Corruption Compliance Policy	https://sonacomstar.com/files/policy/anti-corruption-policy-policy-rOc91h.pdf
Investor Grievance Redressal Policy	https://sonacomstar.com/files/policy/investor-grievance-redressal-policy-policy-hCONqg.pdf
Shareholder's Manual	https://sonacomstar.com/files/shareholders_manual.pdf
Link of Online Dispute Resolution	https://sonacomstar.com/investor-relations
Responsibilities and Duties of Board of Directors	https://sonacomstar.com/files/policy/responsibilities-and-duties-of-board-of-directors-policy-Adosl4.pdf
Enterprise Risk Management - Framework	https://sonacomstar.com/files/policy/erm-framework-policy-CZEnft.pdf
Management Policy on Quality, Environment, Occupational health and safety	https://sonacomstar.com/files/policy/quality-environment-occupational-health-and-safety-policy-policy-uCJgYJ.pdf
Tax Policy	https://sonacomstar.com/files/policy/tax-policy-policy-ttSq8c.pdf
Fair work practice guidelines	https://sonacomstar.com/files/policy/fair-work-practice-guidelines-policy-aetlfx.pdf
Terms of Reference of the Committees of the Board	https://sonacomstar.com/files/policy/terms-of-reference-of-the-committees-policy-IAA7NT.pdf
Procedure prescribed for filing of complaint under POSH	https://sonacomstar.com/files/policy/procedure-prescribed-for-filing-of-complaint-under-posh-policy-SEyfpU.pdf

C. Changes made in the Policies during the Financial Year

During the year under review, the Company has reviewed and revised the following policies in order to align the same with recent changes and also as a matter of Good Corporate Governance practice. The gist of the changes made are as follows:

S.No.	Name of the Policy	Description of the Policy	Summary of key changes made to the Policies during the Financial Year
1	Anti-Bribery and Corruption Compliance Policy	This Policy is adopted to prevent occurrence of bribery, avoid any wrongdoings and enable the Company to respond effectively to any inquiries complaints.	This Policy was amended further to strengthen the ethical compliance framework. The following clauses were added / amended in the policy: <ul style="list-style-type: none"> Sponsorship by the Company Relationship with third parties Investigation procedure in response to complaints.
2	Related party Transactions Policy	It is a policy which has been framed with an intent to regulate all Related Party Transactions in the Company.	The Policy has been amended further as a matter of adoption of best governance practices. The following clauses were inserted in the Policy: <ul style="list-style-type: none"> Appointment of an external agency to review material related party transactions to build greater shareholder's confidence; and All conflicted directors in any related party transactions shall abstain from the decision-making process as well as voting on the transaction.
3	Code of Conduct and Business Ethics	This Code is designed to establish certain standards of conduct for all employees and officers of the Company. It sets out basic principles to guide employees in carrying out their duties.	This Code was amended further to foster a better ethical compliance environment among the employees in the Company. The following clauses were added/ amended in the Code: <ul style="list-style-type: none"> National Interest Data Protection Laws Representation to Media, Press and Investors Prohibition of Drugs, Substances and Alcohol at workplace Non-Violence Preventing Conflict of Interest

S.No.	Name of the Policy	Description of the Policy	Summary of key changes made to the Policies during the Financial Year
4	Code of Conduct for Vendors	This Code serves as the guiding principle of core values and ethical conduct. The Company expects all its vendors/suppliers to adhere to the same values and ethical practices as followed by the Company.	This Code was amended further to enhance corporate governance, promote ethical conduct, and ensure compliance with the law by the vendors of the Company. The following clauses were added/amended in the policy: <ul style="list-style-type: none"> • Environmental, Social & Governance (ESG) Standards • Responsible Sourcing of Minerals • Data Privacy • Disclosure of Information • Reporting Misconduct • Improper Payments • Monitoring and Record Keeping
5	Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and Other Employees	The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.	The Policy has been amended further to include the details of the process and criteria used for evaluating the candidature of the person for appointing as director of the Company.
6	Cookie Policy	The Cookie policy has been framed as part of the Data Privacy framework implemented by the Company to comply with the Digital Personal Data Protection Act 2023 and the General Data Protection Regulation.	The Company uses the Cookies from the visitors of its website and this policy has set out cookies, which the Company is storing and also asking for the consent from the visitors for storing of their cookies.
7.	Privacy Notice	The Privacy Notice has been published on the website as part of the Data Privacy framework implemented by the Company to comply with the Digital Personal Data Protection Act 2023 and the General Data Protection Regulation.	The Privacy Notice describes how the Company use and process Personal Data. It also provides the rights of the subject matter in relation to their Personal Data. The Privacy Notice also provide the contact details of the Data Protection Officer.
8.	Investor Grievance Redressal Policy	This policy has been formulated with an intent to address the grievance of the investors appropriately and in a time bound manner.	As a matter of Good Corporate Governance practice, this policy has been adopted by the Company to elaborate the mechanism available with the investor to address their grievances in a time bound manner.
9.	Shareholder's Manual	The Shareholder's Manual has been framed by the Company in order to aware the shareholders of the Company about their rights under the applicable laws.	The Shareholder's Manual contains both Shareholder's Charter specifying the rights of the investors under various applicable laws, rights of minority shareholders and Frequently Asked Questions (FAQ) on various topics related to transfers, transmissions, transportation of shares, dematerialisation/rematerialisation and updation of their KYC and nomination details along with the requisite forms.

**COMPLIANCE CERTIFICATE**

REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF THE SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,
**The Board of Directors,
Sona BLW Precision Forgings Limited
Sona Enclave Village
Begumpur Khatola, Sector 35, Gurgaon
Haryana- 122004**

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

1. We have reviewed the Financial Statements and the Cash Flow Statement of Sona BLW Precision Forgings Limited for the Financial Year ended 31st March 2024 and to the best of our knowledge and belief, we state that:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes, if any, in the internal control over financial reporting during the year;
 - b. significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely,

Rohit Nanda
Group Chief Financial Officer

Vivek Vikram Singh
Managing Director and Group Chief Executive Officer

Date: 30th April 2024
Place: Gurgaon

CERTIFICATE ON CORPORATE GOVERNANCE OF SONA BLW PRECISION FORGINGS LIMITED FOR FINANCIAL YEAR ENDED 31ST MARCH 2024

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

To,

The Members**Sona BLW Precision Forgings Limited**

Sona Enclave Village Begumpur Khatola,
Sector 35, Gurgaon, Haryana - 122004

1. We have examined the compliance of the conditions of Corporate Governance by Sona BLW Precision Forgings Limited **(the Company)**, for the Financial Year ended on 31st March 2024, as stipulated under Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation 2 of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **(SEBI Listing Regulations)**.
2. The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the declarations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the Financial Year ended on 31st March 2024.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For PI & Associates,
Company Secretaries**

**Nitesh Latwal
Partner**

ACS No.: A32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109F000287386

Date: 30th April 2024

Place: New Delhi