



epic

*Journey to
Future Mobility*

Making breaking our own records a habit

Records are meant to be broken.

An inevitable reality that transcends to every sphere of life; a momentous occasion that sticks in everyone's memory for a significantly long time.

To contextualise the biggest one in the sphere of Formula 1:



When Max Verstappen was crowned F1 world champion in 2023 for the third time in a row, he also broke some of his own previous records, such as 19 wins in a year versus 15 previously and 21 times on the podium versus 18 earlier.

Irrespective of how his career spans out hereon, his achievements will be etched in the history books forever and discussed by future generations.

In Sona Comstar's context, we have always striven to break our own records. We firmly believe that if we look back at ourselves 3-5 years from now, we should instantly be able to identify the transformation we have undergone and how far we have come.

This is precisely what we have achieved in FY 2023-24 since our listing three years ago. Through this report, we wish to take everyone through the miles that we have covered since becoming a public company.

INR 31,848 million

Revenue
2.0x*

INR 5,173 million

Profit after tax
2.4x*

29%

Revenue share from BEV
2.1x*

INR 9,021 million

EBITDA
2.0x*

INR 8,859 million

BEV Revenue
4.3x*

54

EV Programs
3.6x*

* growth from FY 2020-21

The future of mobility is

E Electric

P Personalised

I Intelligent

C Connected

Recognising the seismic shifts that were reshaping the landscape of mobility, we embarked on our E.P.I.C. journey to future mobility. Through strategic investments in research and development, we are evolving our roadmap towards an Electric (E), Personalised (P), Intelligent (I), and Connected (C) future.

Our focus lies in pioneering innovative solutions, from advanced electric drivetrain systems to high-performance motors, to meet the surging demand for electric mobility. Moreover, we are integrating connectivity features and advancing autonomous driving capabilities to enhance safety, efficiency, and convenience.

By embracing this transformative vision, we aim to be among the leaders in shaping the way for the next generation of automotive technology and delivering sustainable solutions that cater to the evolving needs of consumers and the industry alike.

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Then.

Earlier, we were focused on just a few of our core products and supplied them to automotive OEMs globally.

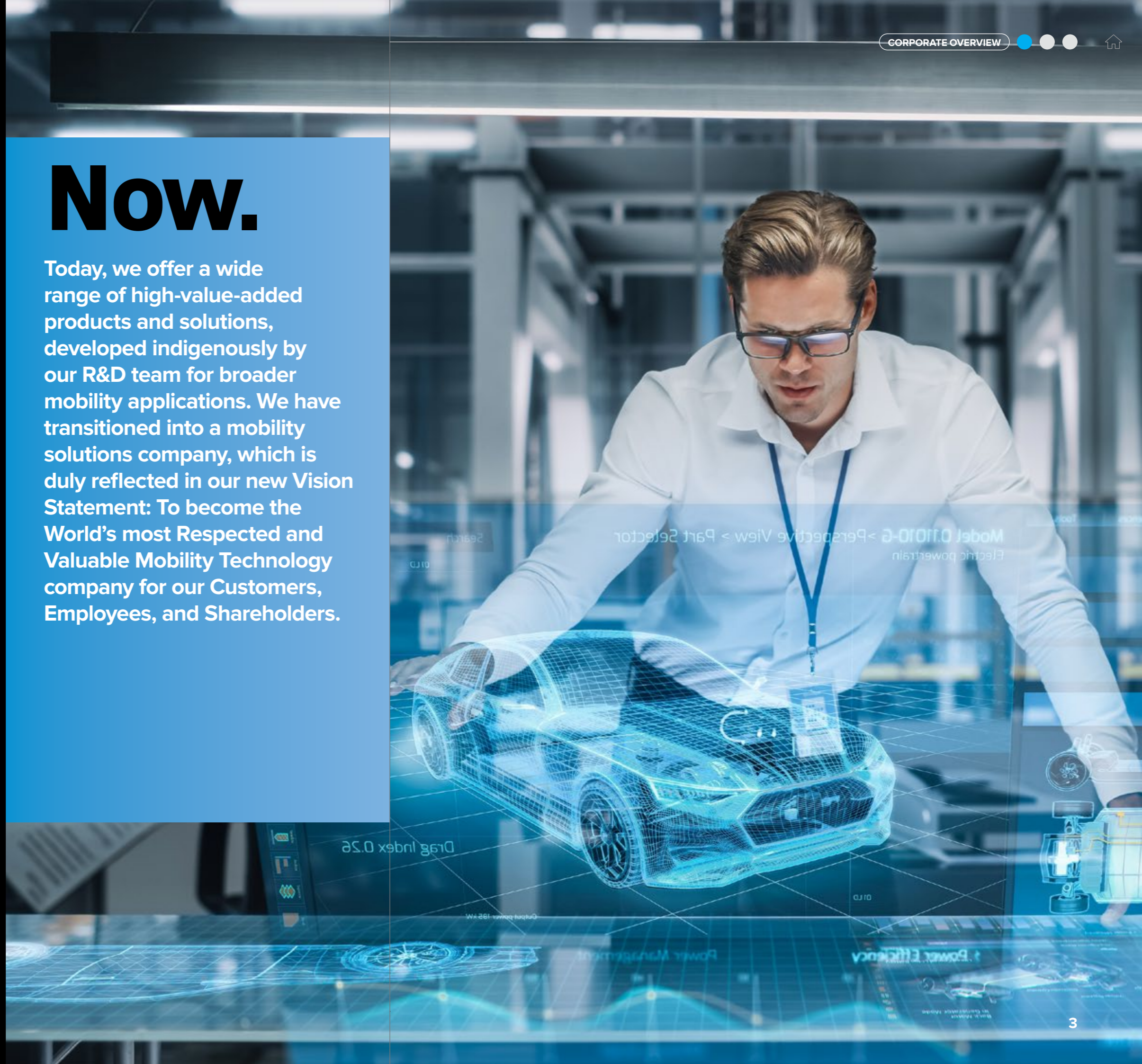
Now.

Today, we offer a wide range of high-value-added products and solutions, developed indigenously by our R&D team for broader mobility applications. We have transitioned into a mobility solutions company, which is duly reflected in our new Vision Statement: To become the **World's most Respected and Valuable Mobility Technology** company for our Customers, Employees, and Shareholders.

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Redefining mobility through our solutions

We have solidified our position as one of the most respected automotive component manufacturers. However, we were always convinced we could have a more significant impact. Leveraging our state-of-the-art R&D capabilities and industry experience, we have transitioned from a manufacturing company to a mobility solutions company.

Our proficiency lies in creating, advancing, and producing meticulously engineered, mission-critical automotive systems and components for automotive OEMs. Our focus on cutting-edge technologies shapes the mobility landscape, propelling us towards a more sustainable and secure future. With an array of technologies and products in our portfolio, we collaborate with automotive OEMs globally, especially in advanced applications, notably within the EV sector.



Our mission

Be leaders in the technology we invest in and give our customers an edge over the rest while designing and building products that will enable the future of mobility.

Our new vision

To become the World's most Respected and Valuable Mobility Technology company for our Customers, Employees, and Shareholders.

Our values

At Sona Comstar, we believe in always doing the right thing, no matter what the cost or whether anyone is looking. Build better and more economical products faster. Thereby adhering to Integrity, Vitality, Frugality, and Agility.



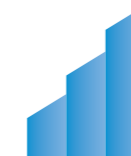
Integrity

Always do the right thing.
No matter what the cost.
No matter if anyone is looking.



Vitality

Build better products.



Frugality

Build better products - more economically.



Agility

Build better and more economical products faster.

Our presence

10

Manufacturing facilities

4

R&D centres

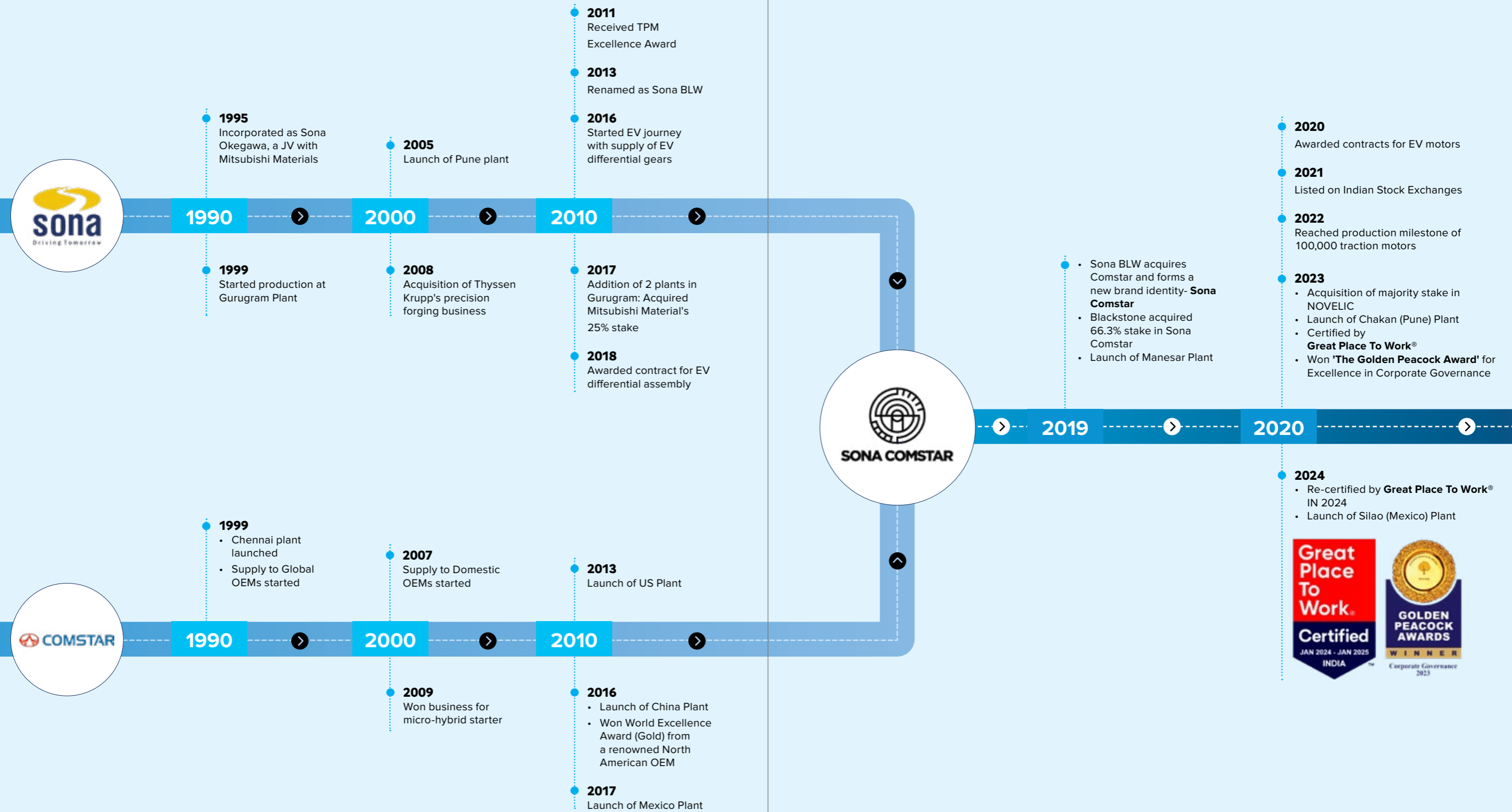
3

Engineering capability centres

4,674

Total employees

The laps we have covered till now



Global presence. Local essence.

What started as an Indian company has truly transformed into a global powerhouse, a feat we have achieved by staying ahead of the curve and producing the best-in-class products.

We operate ten manufacturing and assembly sites spanning India, China, Mexico, and the USA, with six located in India. Our Chennai, China, USA, and one of the Mexico sites specialise in Motor products, while our Indian sites and the other Mexico site focus on driveline products. Facilities in India serve as manufacturing plants, while those in the USA, Mexico, and China function as satellite final assembly and finishing plants. Additionally, our Sensors and Software division features three engineering capability centres. Alongside our manufacturing and engineering capabilities, we maintain four R&D centres in India and Serbia.

10
Manufacturing Plants

4
R&D Centre

1
Tool & Die Shop

8
Warehouse

3
Engineering Capability Centre

USA
Tecumseh, MI
1 Manufacturing plant
1 mn
starter motors
Ypsilanti, MI
1 Warehouse

Mexico
Irapuato
1 Manufacturing plant

1 mn
starter motors

Silao
1 Manufacturing plant

Inauguration of Silao (Mexico) plant

On April 19, 2024 we have inaugurated a new manufacturing facility in Silao, Mexico. This new facility will specialise in producing differential assemblies and reduction gears meticulously designed for BEVs. Over time, it will further diversify its product range to accommodate the evolving technological advancements in electric vehicles.

Serbia
Belgrade
1 Engineering Capability Centre, 1 R&D Centre
Novi Sad
1 Engineering Capability Centre
Niš
1 Engineering Capability Centre

Belgium
Genk
1 Warehouse

Germany
Cologne
1 Warehouse

China
Hangzhou
1 Manufacturing plant

India
Gurugram
3 Manufacturing plants, 1 R&D Centre, 1 Tool & Die Shop

45.8 mn
gears

Pune
1 Manufacturing plant, 1 Warehouse

14.4 mn
gears

Chennai
1 Manufacturing plant, 1 R&D Centre

3.8 mn starter motors
0.4 mn traction motors

Manesar
1 Manufacturing plant

2.5 mn
differential assemblies

Hosur
1 Warehouse

Sanand
1 Warehouse

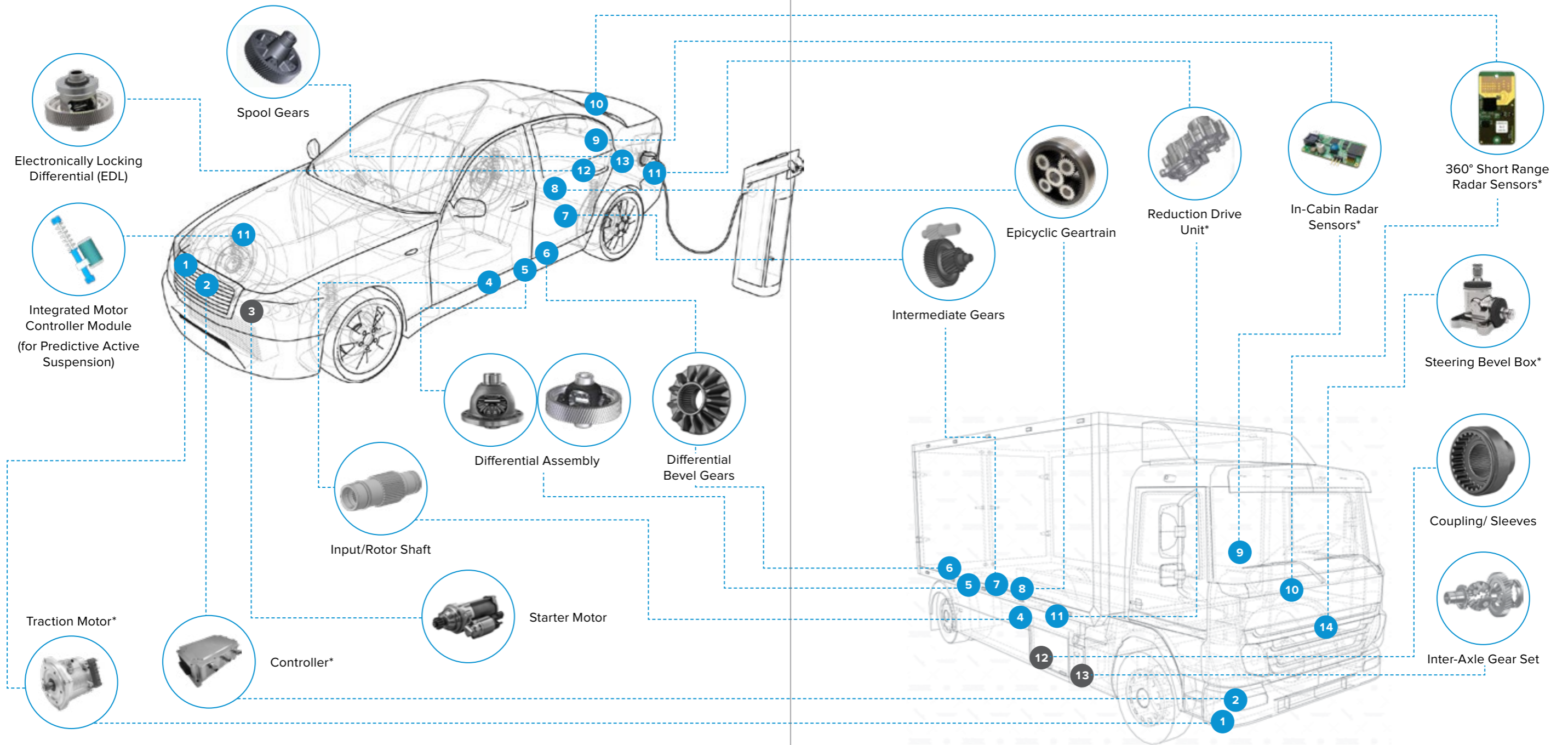
Rudrapur
1 Warehouse

Mehsana
1 Warehouse

Map not to scale

Diversified by portfolio. Unified by vision.

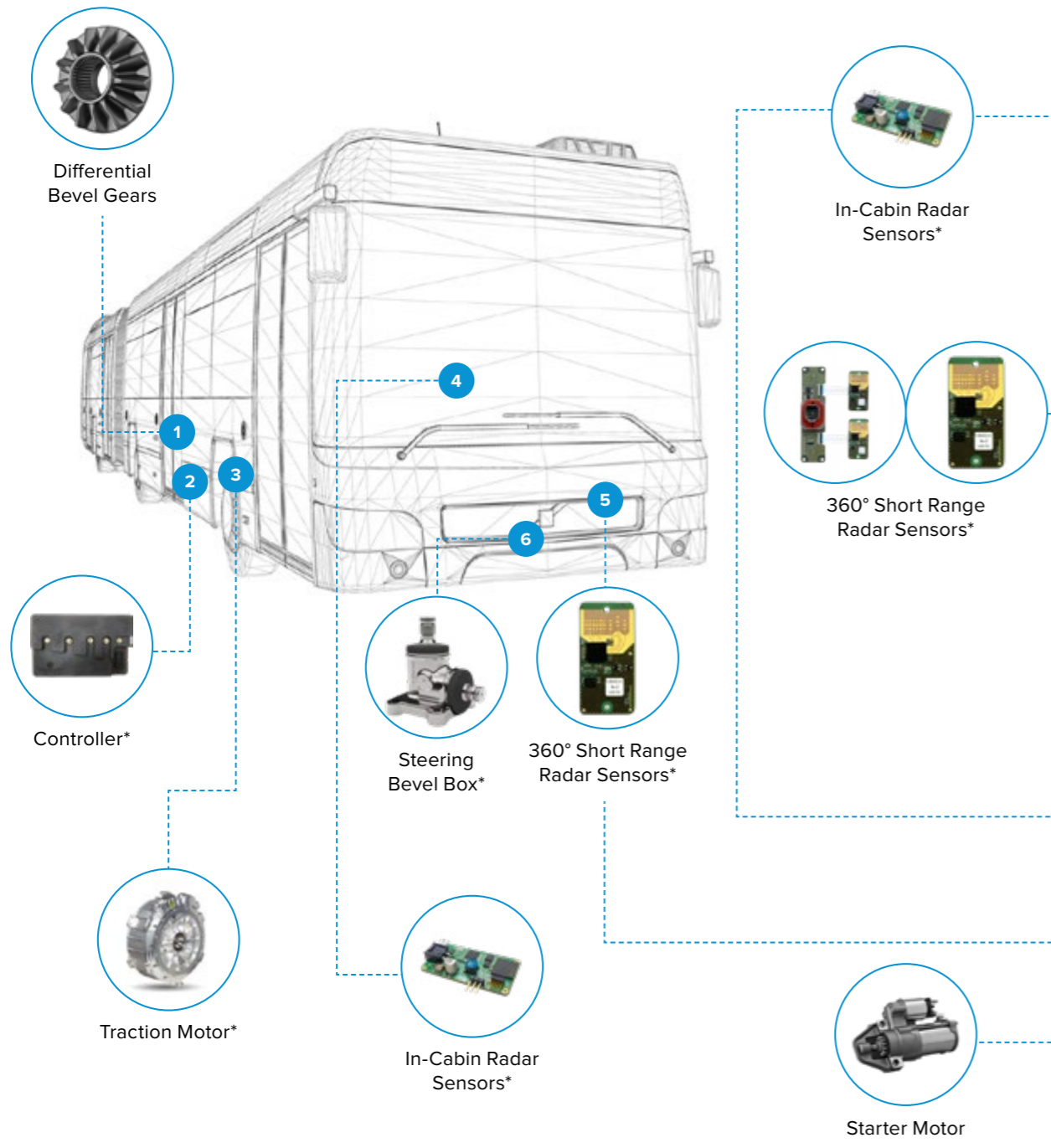
Passenger Vehicles



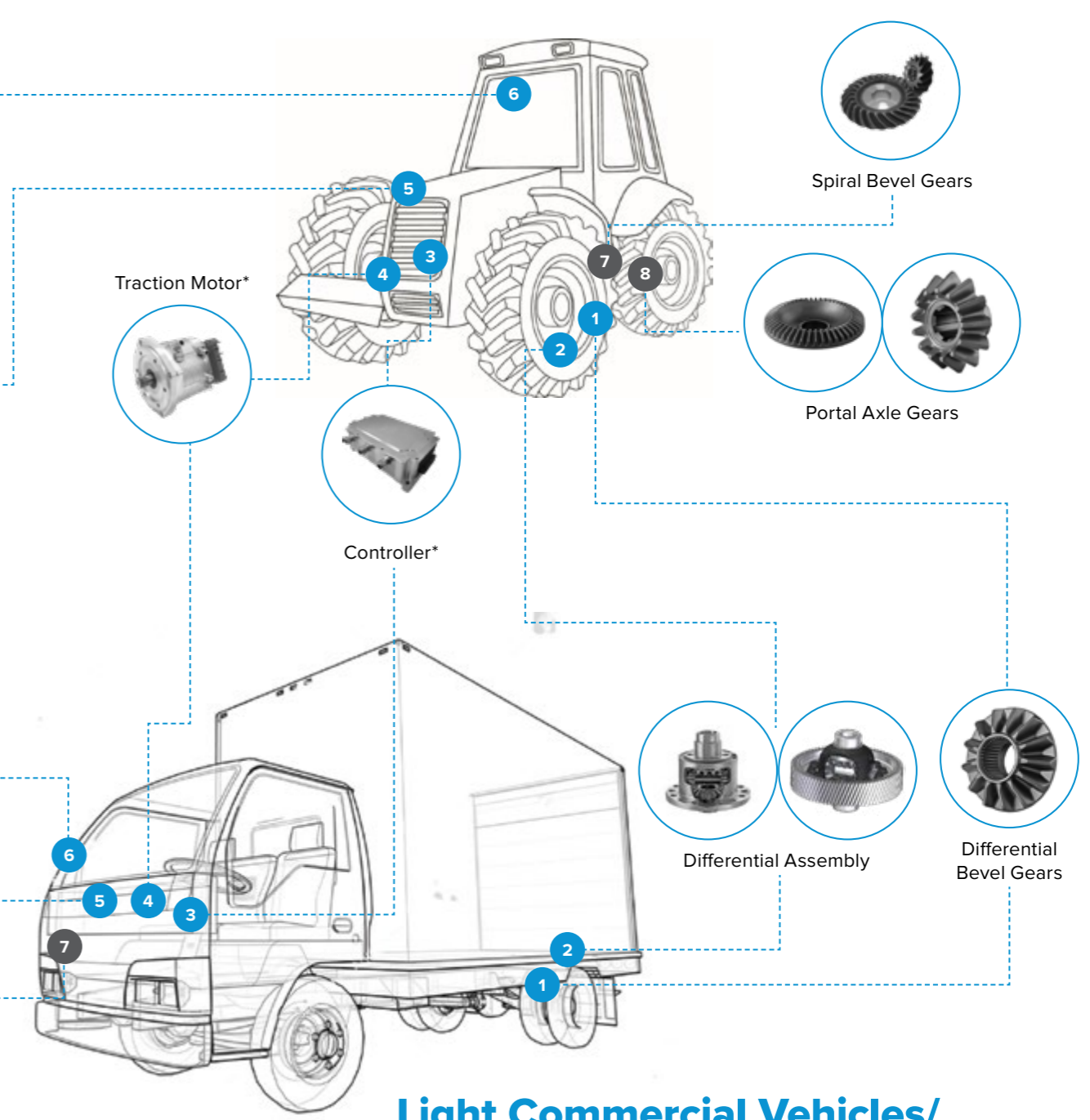
Commercial Vehicles

*Product under development

Buses



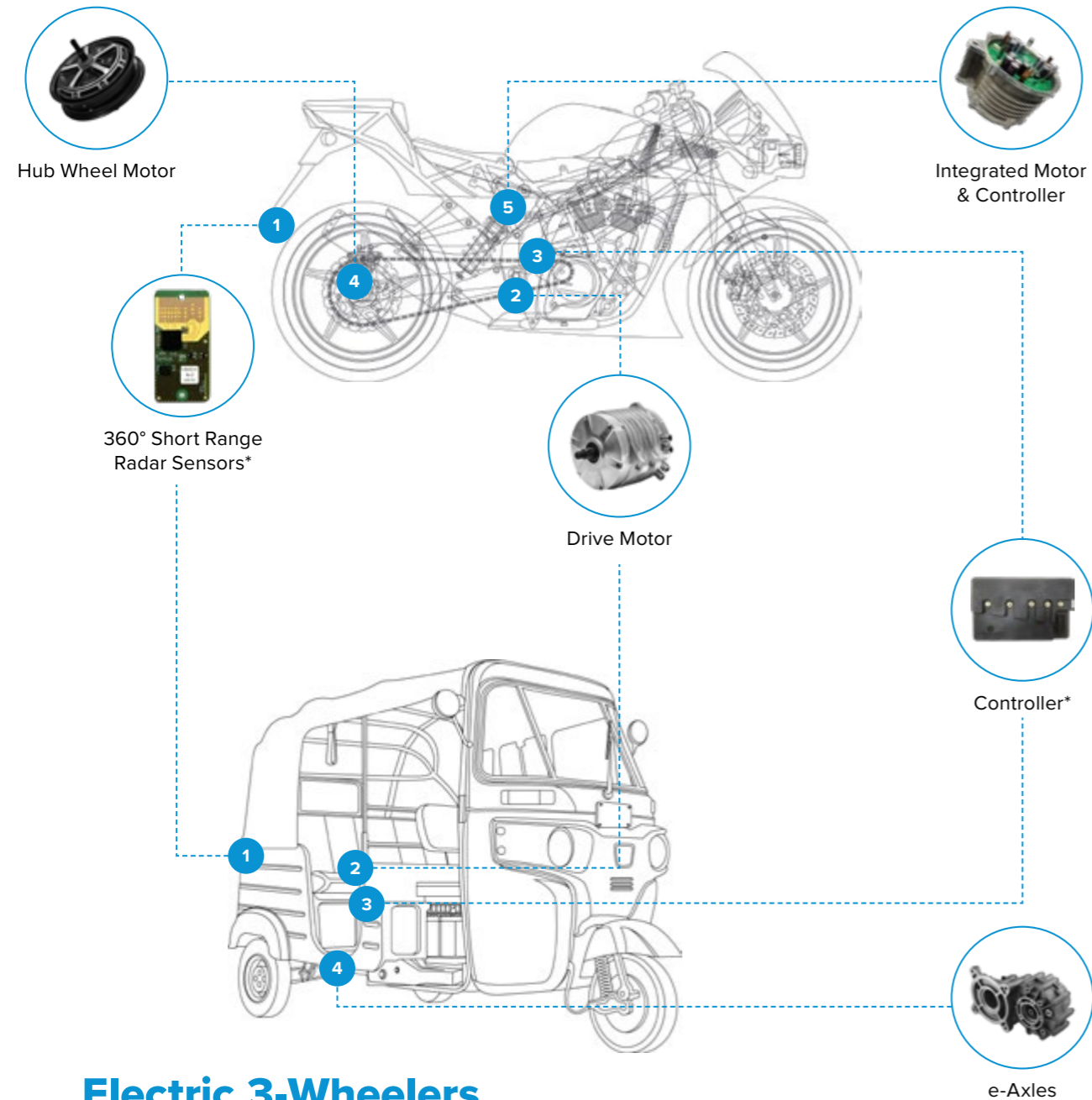
Off Highway Vehicles



Light Commercial Vehicles/ 3-Wheeler (Cargo)

*Product under development

Electric 2-Wheelers

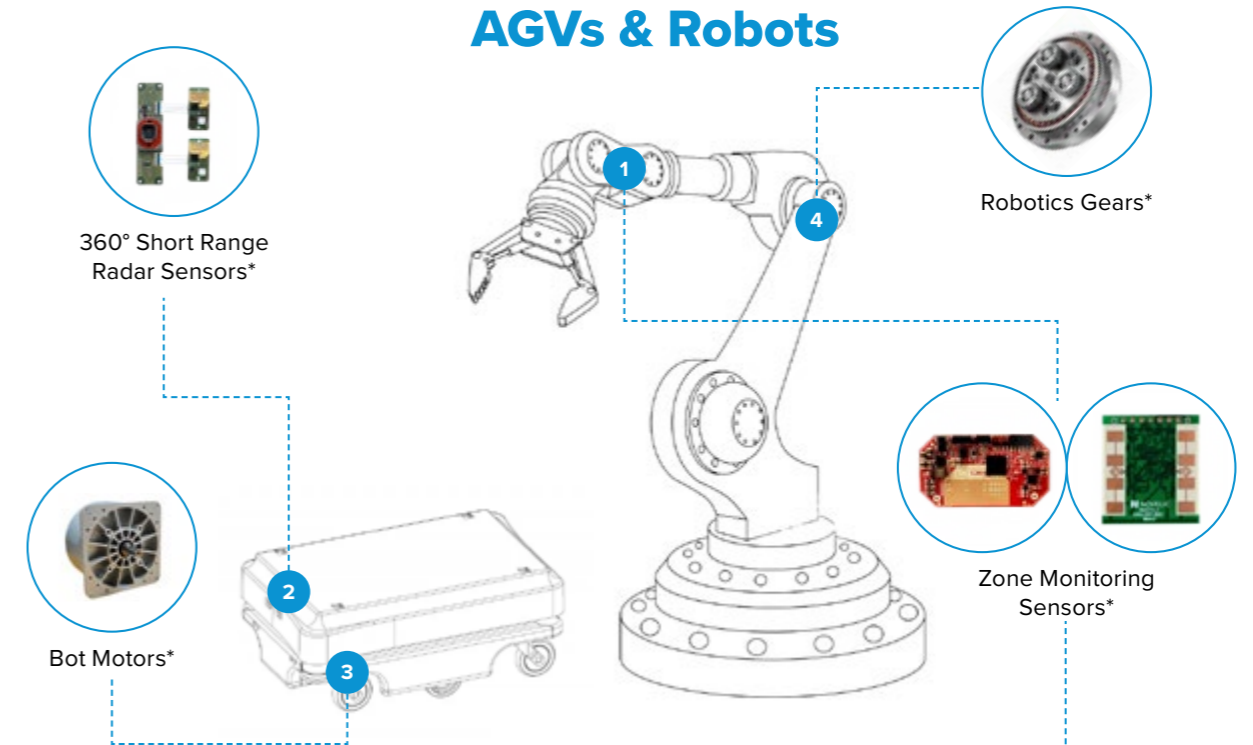


Electric 3-Wheelers

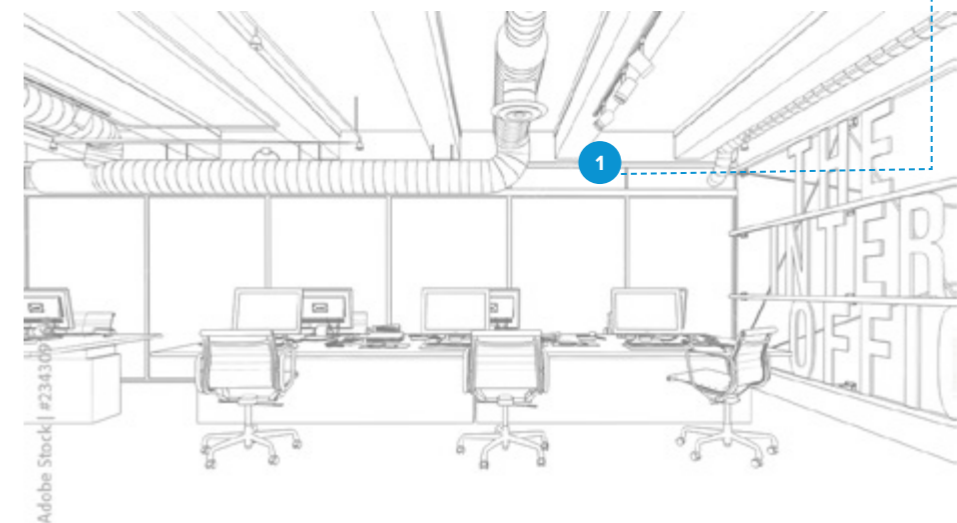
We became the first automotive component manufacturer to receive certification under the auto production linked incentive (PLI) scheme for one of our products, a hub-wheel drive motor for electric two-wheelers.

*Product under development

Industrial Automation, AGVs & Robots



Building Automation



Then.

Earlier, we were seen as an Indian auto component manufacturer that aided the growth of its customers significantly through quality products.

Now.

Today, we are the first Indian auto company to be certified under the auto production linked incentive (PLI) scheme for our product hub wheel drive motor for electric two-wheelers. We made a lasting impression at the Bharat Mobility Global Expo 2024 by exhibiting products like the Electronic Locking Differential, High Voltage Motors, Laser Welded Differential, Epicyclic Hub Reduction Drive, and Integrated Motor Controller. We also showcased the in-cabin Sensors (ACAM) and short-range sensors (ASPER) developed by the recently acquired NOVELIC.

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25 Years: A Reflective Journey



Our focus is on building a long-term business with a solid foundation and a stronger emphasis on being at the forefront of technological innovation. We are strategically investing in R&D to develop the right solutions and technologies for the E.P.I.C. future of mobility.”

Sunjay Kapur
Chairman and Non-Executive Director

Dear Shareholders,

As we celebrate our 25th-year milestone, I reflect on the journey that has shaped us. Over the past quarter century, Sona Comstar has navigated several challenges, each a stepping stone leading us towards our present standing. I am extremely proud of our accomplishments and excited about the opportunities ahead.

We are planning various celebrations to commemorate this occasion. One of the highlights includes launching a book to pay homage to the life and legacy of our founder, Dr. Surinder Kapur, and the Sona Comstar story. With this book, we aim to immortalise his legacy and inspire future generations.

At the end of the previous financial year, Blackstone divested its stake in our business in a strategically planned share sale to marquee investors. This is indicative of the strength and potential of our business, attracting the confidence of several large institutional investors. Meanwhile, our family continues to be the largest shareholder, a testament to our enduring belief in the company and the leadership of our management team.

Our success is a result of the remarkable individuals who comprise our workforce. Their exceptional expertise and resolute commitment are the bedrock of our success, reinforcing our conviction that our employees are our greatest assets.

Each quarter of the past year has surpassed our expectations, reinforcing our pursuit of excellence. As we progress, maintaining this momentum may require ongoing efforts to refine and improve our operations. However, we are committed to embracing this challenge and sustaining our growth trajectory.

India is at a pivotal juncture as it transitions from being a nation with immense potential to one highlighting its prowess on the global stage. With a visionary government, we are heading towards unprecedented growth and development. The dynamism of India's new-tech enterprises and expanding digitisation across industries are set to strengthen the growth momentum. The Reserve Bank of India (RBI) projects India's economy to grow 7% in FY 2024–25, demonstrating confidence in the country's resilience amid subdued global economic conditions. Sona Comstar is well-positioned to contribute to this monumental economic growth journey.

Our success is a result of the remarkable individuals who comprise our workforce. Their exceptional expertise and resolute commitment are the bedrock of our success, reinforcing our conviction that our employees are our greatest assets.

Our focus is on building a long-term business with a solid foundation and a stronger emphasis on being at the forefront of technological innovation. We are strategically investing in R&D to develop the right solutions and technologies that align with this future. We are dedicated to remaining E.P.I.C. – Electric, Personalised, Intelligent, and Connected—in all our endeavors. By embracing the E.P.I.C. future of mobility, we aim to shape the next generation of automotive technology and provide sustainable solutions to meet the evolving needs of consumers and the industry.

Sona Comstar's journey is a testimony to the power of venturing beyond the comfort zone and navigating unpredictable environments, only to emerge unscathed and stronger. Even in the face of ongoing global conflicts, our Company's foundation of resilience and determination enables us to overcome any challenge. As we display our ability to face challenges with courage, we strive to inspire others to do the same.

In closing, I sincerely thank each of you—our shareholders, investors, partners, collaborators, the Government of India, regulatory authorities, employees, and valuable customers—for your unwavering support, confidence, and belief in our vision. Together, we will continue to chart new horizons and achieve even greater success.

With best regards,

Sunjay Kapur
Chairman and Non-Executive Director



Remaining true to our deepest purpose



We are often told we are a great company. However, we sincerely don't think so, and perhaps because of this attitude, this deep yearning for becoming something better than we are, we may one day indeed become a great business."

Vivek Vikram Singh
Managing Director & Group CEO

Dear Shareholders,

We had a stellar fiscal year 2024, which saw us accomplish most of our objectives and advance towards achieving our long-term vision. Despite facing formidable headwinds, our net profits rose by 31% year-on-year, with our Battery Electric Vehicle (BEV) revenue increasing by an impressive 32%. We welcomed four new EV customers, added 12 new EV programmes, and ended the year with a robust order book of INR 226 billion, ensuring that we will confidently continue our growth momentum in the next fiscal year and beyond. We have been, we are, and we will always continue to remain hungry for profitable and technology-led growth.

We made significant progress on our expanded and futuristic technology roadmap and added 'Sensors and Software' as our third pillar of growth. This year, we also updated our Vision statement, "to become the world's most respected and valuable mobility technology company for our customers, employees, and shareholders." We believe mobility extends beyond automobiles, encompassing all vehicles and devices that facilitate the transportation of humans and goods. This broadened scope from automotive to mobility signifies our expanding ambitions and eagerness to leverage our technological expertise in adjacent product or application areas. Our future is bright, and we eagerly anticipate achieving many more milestones.

Singhavalokana*: The year in retrospect

This letter, apart from serving as a performance report from a Manager to the Company's owners, also allows me the opportunity to look back and assess our journey over the last fiscal year. So I want to first share some lessons or, more accurately, reflections that I have gathered in the three years that have gone by since we became a publicly listed company.

Reflection 1: All our business decisions count—those of commission as well as omission.

There is a unique challenge involved in public reporting: that we talk only about what we did and not what we didn't do. This means that all observed successes and failures are solely acts of commission. There is no mention of successes and failures as acts of omission, which go unnoticed and unreported. This makes it difficult for shareholders to know how many disastrous decisions we prevented by saying 'no' and also how many profitable opportunities we missed out on by doing the same. In the past year, on average, we evaluated at least one investment, acquisition, or partnership opportunity every week. Still, we decided not to

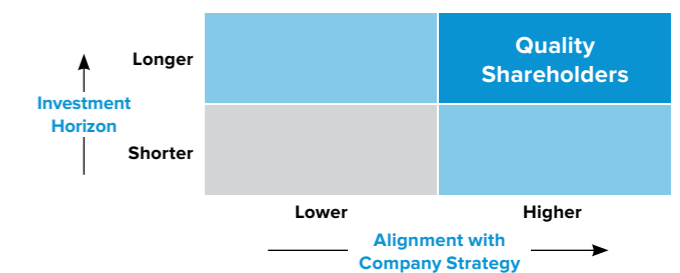
pursue most of them as they did not align with our purpose or our strategic objectives. Or they aligned with them but presented unfavourable risk-reward scenarios. I want to assure our shareholders that the leadership team and I are aware of this deviation and constantly reflect on whether our modest successes have made us more risk-averse. We strive to maintain our culture of taking 'medium risk-high return' bets to ensure our Company's continued growth.

Reflection 2: We cannot afford to drink our own Kool-Aid and need to always stay on the path from good to great.

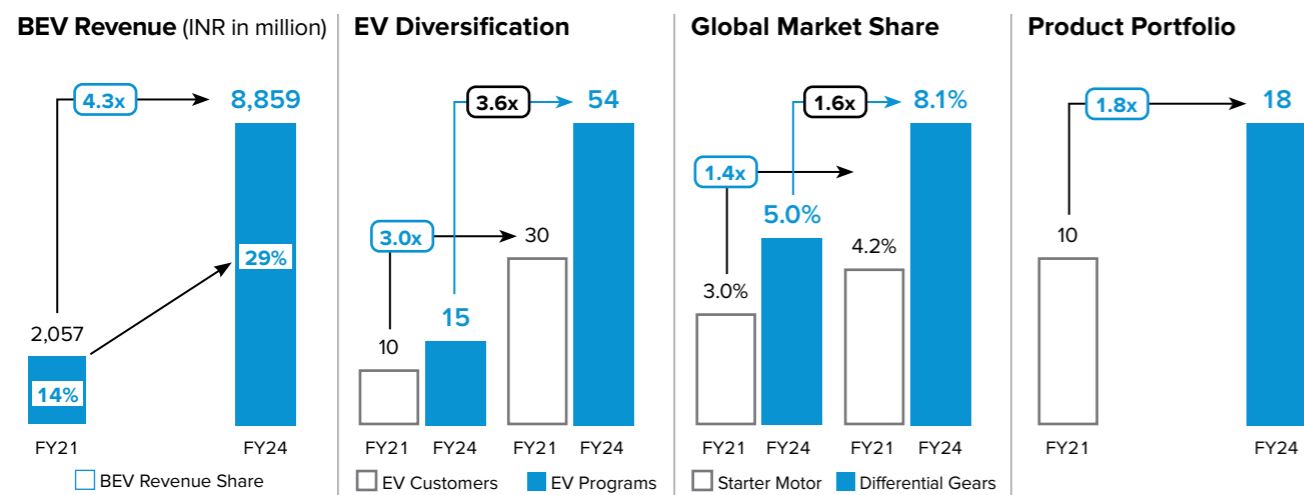
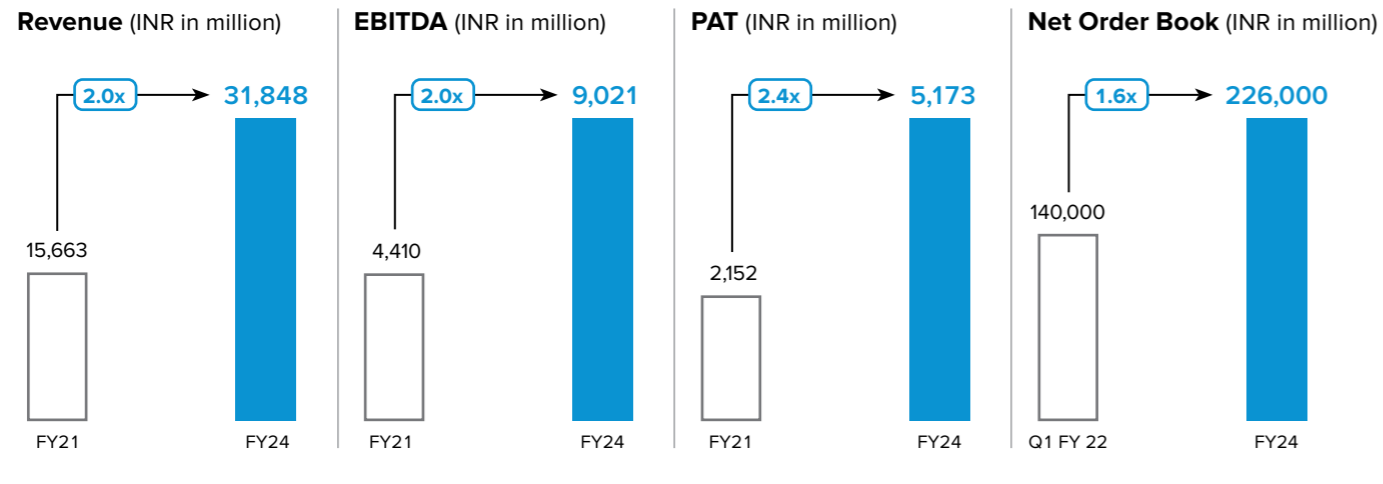
We are often told that we are a great company. However, we sincerely don't think so and perhaps because of this attitude, this deep yearning to become something better than we are, we may one day indeed become a great business. We see ourselves as a good business on our way to becoming a great business. If we are truly fortunate, we will continue to be on this journey of self-improvement forever.

Reflection 3: We need to be absolutely clear about what being a good business means for us.

Our definition of being a good business for our customers is that we will continue to design and build top-notch technology products that solve their complex engineering problems and give them an edge over their competition. Being a good business for our employees means we will continue to foster a culture of innovation that gives them pride and the opportunity to align with our purpose. Being a good business for our shareholders means their continued alignment with our values as well as their long-term monetary value creation. Through our actions and communication of our business philosophy and future vision, we strive to attract and retain long-term owners of our Company on this exciting journey. We are fortunate to have a majority of public shareholding with 'Quality Shareholders', who we define as those with a longer investment horizon and aligned with our strategy and vision. We are committed to creating value for all those who have entrusted their assets to us and will remain unwavering in our efforts to do so.



*For those encountering this term for the first time — it is believed that after a lion has traversed a meaningful distance in the jungle, it looks back to examine the path it chose, and this is referred to as 'Singhavalokana' in Sanskrit.



Reflection 4: Our business is best understood in 3-year cycles.

Our IPO was three years ago, which is also the period of our planning, product, and business development cycles. As responsible managers, we want our shareholders to understand our business and management philosophy and see us in the same three-year cycles that we see ourselves.

So, let's do a thought experiment. Imagine you are a time traveller who met us during the IPO process and then jumped three years forward in time to today. You will notice that we have doubled most of our important metrics—our revenue and EBITDA have doubled, and our PAT is 2.4x higher. We have achieved this by increasing market share in existing products and by adding new products. Our BEV revenue grew 4.3x in absolute terms, as EV customers trebled from 10 to 30, and EV programmes increased 3.6x from 15 to 54. Today, our BEV exposure is diversified across customers, programmes, products, and geographies.

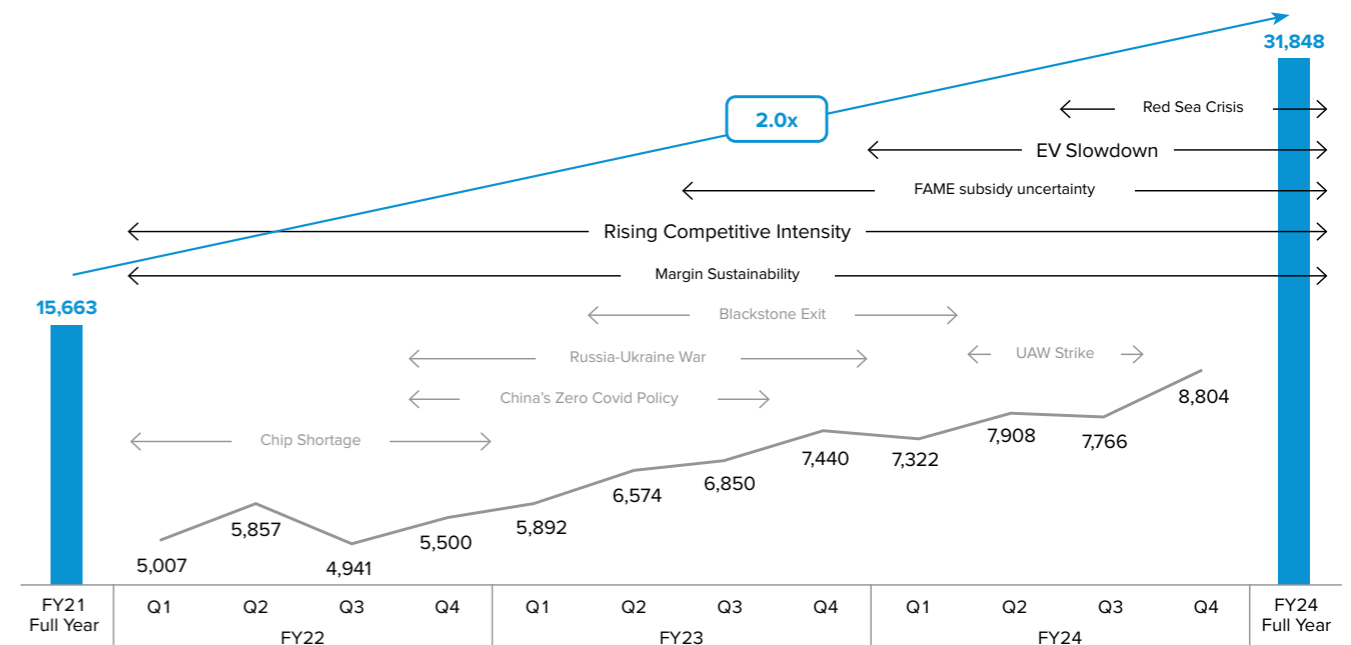
We have introduced eight new products, which have added more than INR 100 billion to our net order book, which has grown to INR 226 billion from INR 140 billion, showing our effectiveness in getting new products to commercial technology readiness.

However, as a time traveller, you only see these results, and you may think that the past three years have been extremely favourable for the industry and that the Company has faced zero challenges. But if you have observed us over the last three years, you would have noted that we achieved this performance despite multiple headwinds. We've had to deal with issues like the COVID-19 pandemic, chip shortages, and other crises, but we've managed to overcome them and continue to grow. Some current issues, such as the Red Sea crisis and uncertainty around FAME, may also affect us, but we believe that they will eventually be resolved.

Since our IPO, we have been asked about our ability to maintain our profit margins and the impact of rising competitive intensity. Over the past 25 years, since our inception, and even as a listed company for the past three years, we have maintained an average EBITDA margin of over 26% while gaining market share against strong competition globally. Twenty-five years is a long period to prove a point, but I guess only time will tell whether we are able to maintain margins over the next 25 years as well.

Some of you have expressed concern over the impact of Blackstone selling its shareholding in the Company. Since it has been over a year since their exit, I feel we should address it. This is my 10th year with this amazing Company, and during this time, we have provided healthy exits to three major shareholders. As CEO, my responsibility is to ensure that the exit of any one shareholder does not impact our business or prospects. We are committed to delivering returns to our public shareholders who joined us during or after the IPO. This culture of responsibility is perhaps our most enduring management ethos.

This significant growth in the last 3 years was achieved despite various investor concerns.



FY2024: Our Report Card

I will now present our performance scorecard based on our six Key Result Areas (KRAs): financials, electrification, global significance, diversification, technology, and sustainability.

Financials

Our revenue, EBITDA, and PAT have grown by 19%, 30%, and 31% y-o-y, respectively. New products and business wins from existing and new customers continue to drive our revenue growth. Quite importantly, for a business that believes in the primacy of cash flows as the most important financial metric, the strong operating performance has led

to 88% growth in free cash flow (FCF), ensuring further improvement of our ROCE and ROE to 31% and 28.5%, respectively. Apart from our stupendous team, our unrelenting focus on technology and innovation is the biggest reason for this resilient performance.

Electrification

The shift towards electric mobility is one of the most significant transformations in the automotive industry's history. As pioneers in this field, we have embraced this change and established ourselves as a leading provider of electrified powertrain solutions to the leading automobile manufacturers in India and globally. Our BEV revenue



increased by 32% to over INR 9.0 billion in FY 2023-24, resulting in an increase in our BEV revenue share from 26% in FY 2022-23 to 29% in FY 2023-24. We won 12 new EV programmes and added four new EV customers, taking the number of EV programmes to 54 and the number of EV customers to 30.

Global significance

We have grown our global market share of differential gears from 7.2% in CY 2022 to 8.1% in CY 2023 and from 4.0% to 4.2% in starter motors. We have secured orders worth INR 51 billion in the last year, thus increasing our net order book to INR 226 billion, or US\$ 2.7 billion. Remarkably, 79% of the net order book is from various EV programs. Recently, we celebrated the significant production milestone of 400 million differential gears and 6 million differential assemblies. These achievements are testimony to customers’ trust in our products and engineering capabilities.

Diversification

We recognise the importance of maintaining a balanced mix of customers, end markets, and products. Our revenue mix diversification by powertrain exemplifies our proactive approach to risk management and strategic planning, with the share of ICE-dependent products declining from 25% in FY 2020-21 to just 10% in FY 2023-24. By reducing our reliance on pure ICE technology and embracing emerging, trends in electrification, personalisation, intelligence and connectivity (E.P.I.C.), we are future-proofing our business and positioning ourselves for sustained success in future years.

Progress on our technology roadmap

We have updated our product and technology roadmap to align with our new vision statement, which focuses on addressing the megatrends of E.P.I.C. in the broader mobility space. New product development is crucial to our growth strategy as a product engineering company. Over the past three years, we have successfully added eight new products to our offerings, doubling our total to 17. Our focus on innovation has been recognised by our customers, who have awarded us new business worth over INR 100 billion for the products we developed only in the last three years.

We have expanded our competencies by adding a new ‘Sensors and Software’ vertical by acquiring NOVELIC. Our expertise in this area includes semiconductor chip design services, radar sensor design, signal processing, perception, and sensor fusion software. Our radar technology has various applications in the automotive industry. Additionally, we are working on developing products for non-automotive applications. Last year, we partnered with Equipmake Plc. to develop a high-voltage powertrain for electric buses, commercial vehicles, and passenger vehicles. Equipmake’s technology has been road-tested in various parts of the world, and we believe this partnership will expedite our foray into the target segments.

Sustainability

Our journey towards sustainability is a testament to our commitment to responsible stewardship. We have made significant strides in reducing emissions and water intensity in our business. We have progressed further on diversity

and inclusion by doubling gender diversity in the last year. Our accolades, including the ‘Great Place to Work’ certification and the Golden Peacock Award for excellence in corporate governance, underscore our relentless commitment to environmental and social responsibility.

In Conclusion

Our Group Chief Technology Officer, Mr. Kiran Deshmukh, has decided to retire after serving the Sona Group for almost four decades, including the last eight years with our Company. To ensure a smooth transition, the Company has requested him he continue until October 31, 2024. Mr. Deshmukh has made an immeasurable impact on our technological advancements, product innovation, quality focus, and strategic direction, and his legacy will continue to inspire us.

As one chapter ends, another begins. We are pleased to appoint Mr. Praveen Chakrapani Rao as our new CTO, effective November 1, 2024. Praveen is the current President and Head of Motor Business R&D. He brings over three decades of invaluable experience in the automotive industry, having held leadership positions across various domains. Praveen has been associated with the Company for 24 years, starting with Visteon India’s motor business, which became Comstar and later merged into Sona Comstar. Although it is impossible to fill Mr. Deshmukh’s shoes, we have complete faith in Praveen’s ability to transition seamlessly into this role and lead our organisation’s technology initiatives to greater heights in his unique way.

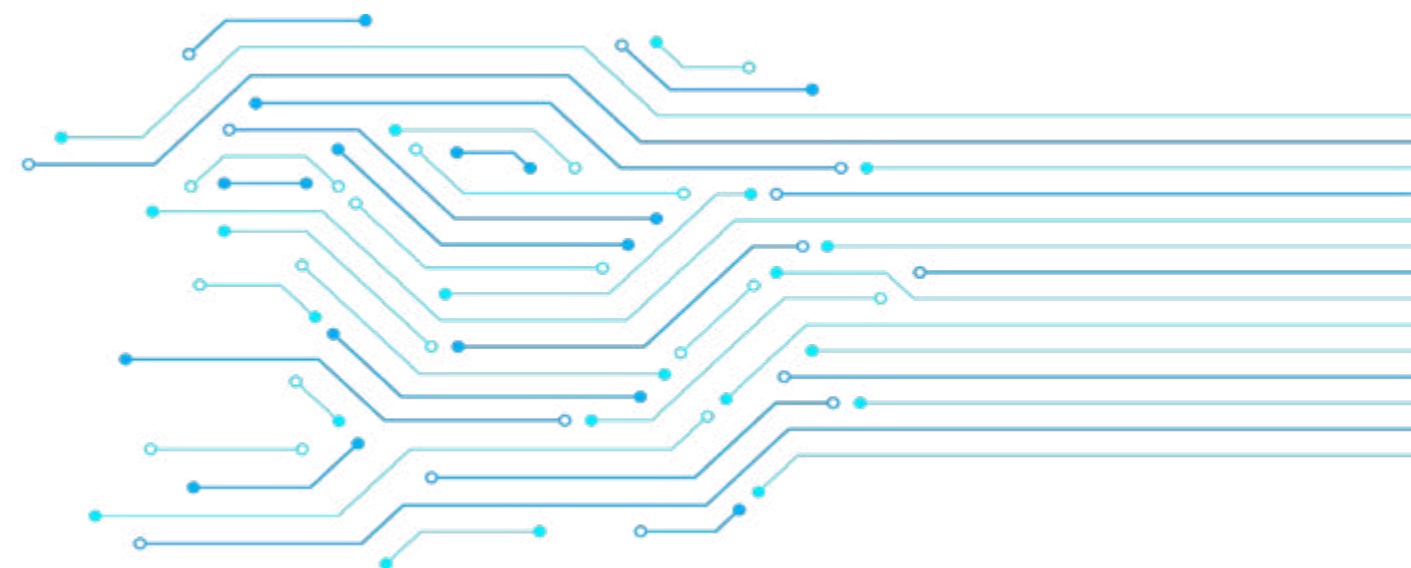
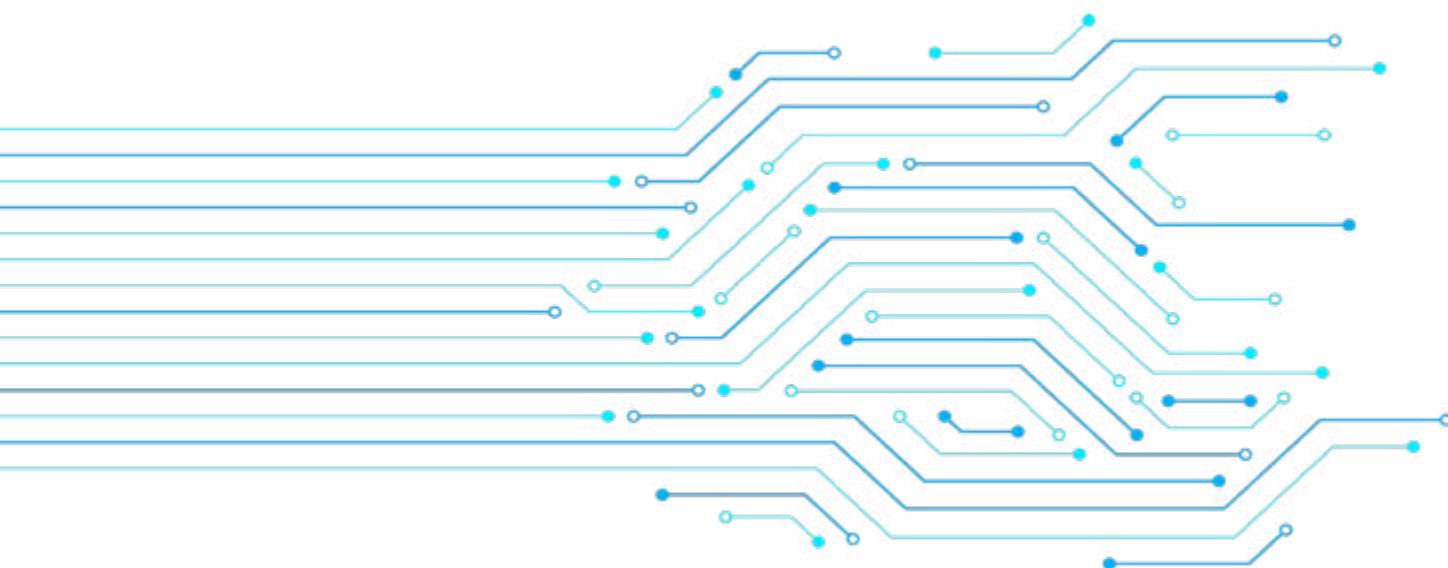
As we chart the course for the future, we keep one of my favourite lines from the Brihadaranyaka Upanishad as our mantra: “You are what your deep, driving desire is. As you desire, so is your deed. As your deed is, so is your destiny.” By remaining true to our deepest purpose, we will shape our actions, which will shape our destiny of building an Indian engineering company that the world can be proud of.

We are excited about the opportunities ahead and will pursue both organic and inorganic growth to expand beyond automobiles into newer mobility sectors. As T.S. Eliot wrote, “Only those who will risk going too far can possibly find out how far one can go.” We are committed to this journey of going as far as we can, constantly pushing boundaries and setting new standards in the mobility industry. We invite you to join us on this journey. Together, we will continue to innovate, inspire, and shape the future of mobility.

Thank you for your continued trust and support.

Warm regards,

Vivek Vikram Singh
Managing Director & Group CEO





Reflecting on a record-breaking year



Our long term strategy involves a three-pronged approach: developing new products in-house using our core capabilities in making gears and motors, forming technology partnerships to expedite our progress on the product roadmap, and acquiring companies to expand our portfolio of products/capabilities.”

Rohit Nanda
Group Chief Financial Officer

Dear Shareholders,

Our Performance

The financial year 2023-24 was another year of spectacular performance for your company, with net profit growth of 31% to INR 5,173 million and revenue growth of 19% to INR 31,848 million. Adjusted for increased ESOP cost and exceptional expenses related to the NOVELIC acquisition, profit after tax grew by 34% to INR 5,348 million. EBITDA margin improved to above 28% during the year thanks to an improved product mix, operational efficiencies, and benign input costs. BEV revenue grew by 32%, and its share of total revenue increased to 29% for FY2024. Given that 79% of our order book consists of EV programs, the share of EVs in our revenue is expected to continue to grow in the years to come. The year also saw a strong operational cash flow generation of INR 6,928 million, of which INR 3,191 million was deployed in capex and INR 1,793 million distributed to shareholders as dividend besides largely funding the first tranche of consideration INR 2,110 million for the acquisition of NOVELIC.

Medium-term growth drivers

Our short to medium-term growth will continue to come from the consumption of our large order book of INR 226 billion and the underlying market growth. Since our listing in 2021, we have developed eight new products (including one product during FY2024), for which we have won confirmed orders from various customers. Of the INR 207 billion of new order wins in this period, ~50% have come from these new products. Our strategic focus on increasing market share in our core products and developing new products has augured well for us.

Long-term growth drivers

From a medium to longer-term perspective, we have a technology cum product roadmap that has been developed at the intersection of mobility as a spectrum (broadened from automotive earlier) and E.P.I.C (electric, personalised, intelligent, and connected) as the technology framework. Our long term strategy involves a three-pronged approach: developing new products in-house using our core capabilities in making gears and motors (for example, we have developed eight new products in the last three years), forming technology partnerships to expedite our progress on the product roadmap (such as our partnership with Equipmake Plc), and acquiring companies to expand our portfolio of products/capabilities (like our acquisition of NOVELIC).

During the year, we successfully completed the acquisition of a 54% stake in NOVELIC. This brings capabilities, in mm-wave radar sensing and perception besides chip designing, to Sona. This technology-led strategic acquisition is expected to establish a third pillar for the company's long-term growth. Additionally, we announced setting up of a new plant in Mexico to better serve our current customers and expand our presence in North America. We have also made the decision to repurpose our existing plant in China to focus on the production of other types of motors (traction/suspension) going forward.

Other developments

In the past year, we introduced a new Employee Stock Option Plan (ESOP 2023) to retain and incentivise employees, aligning their interests with the long-term goals of the company and its shareholders. The plan covers around 90 employees, with options vesting over four years in equal tranches. These options were granted at the market price on the grant date, aligning employees with the potential value creation for all stakeholders going forward. Accounting for the ESOP grants will result into a non-cash impact in the company's profit and loss statement over four years, starting from October 2023. The P&L impact of these stock options during FY 2023-24 was INR 147 million.

Capital allocation

Some of our investors have asked us about the company's capital allocation strategy. I would like to use this opportunity to share some key points to help you understand it from the company's perspective. Based on our current product mix and an estimated EBITDA margin range of 26-28%, we anticipate that our internal cash flow generation will be adequate to finance the capital expenditure needed for the growth envisaged in our orderbook, while also distributing 25-33% of profits to shareholders as dividends annually. Our return on equity and capital employed remains robust, exceeding 25%. This capital allocation strategy may require adjustments as and when we pursue an inorganic opportunity.

Sustainability

Some of the key highlights in terms of sustainability include the addition of 959.5 KwP of rooftop solar capacity, a commitment to establish 18.85 MwP of solar power through captive/group captive route in Haryana and Maharashtra, a 13% reduction in water intensity, and an improvement in our Diversity indicator attributed to an increase in the female workforce from 3% to 6% this year. We also increased our share of Revenue from BEVs in FY2024 to 29% compared to 26% in FY2023.

Outlook for FY2024-25

Global macro-economic outlook for FY2025 appears to be mixed with USA and Indian economies continuing to do well whereas Europe having slowed down considerably. Interest rates continue to stay high across all markets. More importantly the market narrative is tilting towards interest rates staying higher for longer even if rate cutting cycle was to begin in this calendar year. For our business this means that the macros are mixed and there may not be any economic tailwinds this year. For our growth, we shall continue to rely more on our order conversion into revenue than the underlying growth in the automotive market for yet another year.

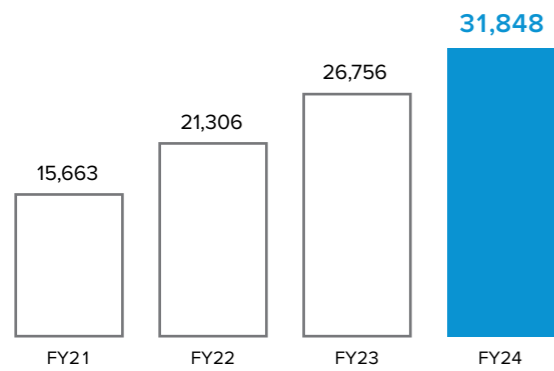
Warm regards,

Rohit Nanda
Group Chief Financial Officer

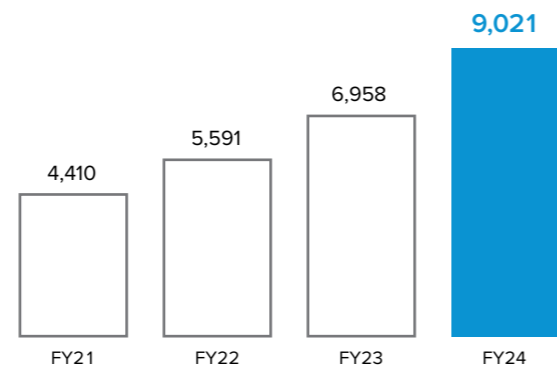
Continuing where we left off

Financial

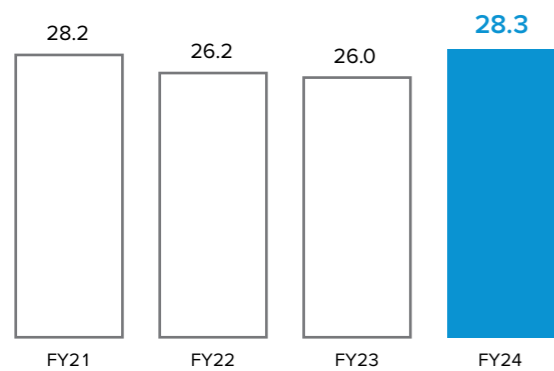
Revenue (INR in million)



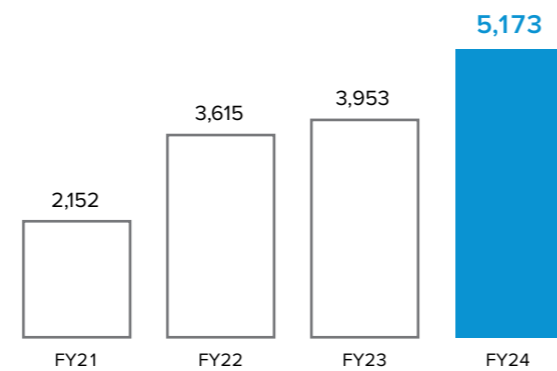
EBITDA (INR in million)



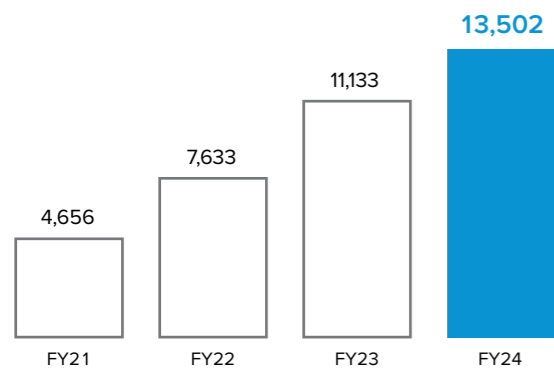
EBITDA margin (%)



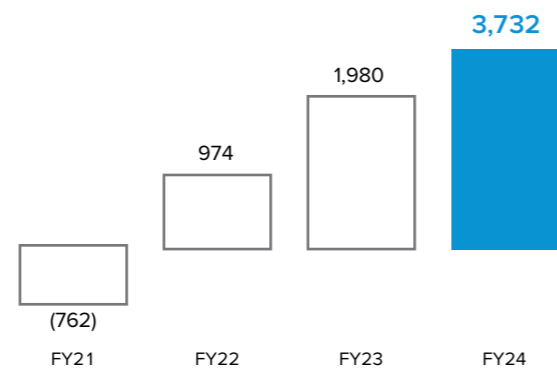
Profit after Tax (INR in million)



Gross Block (INR in million)

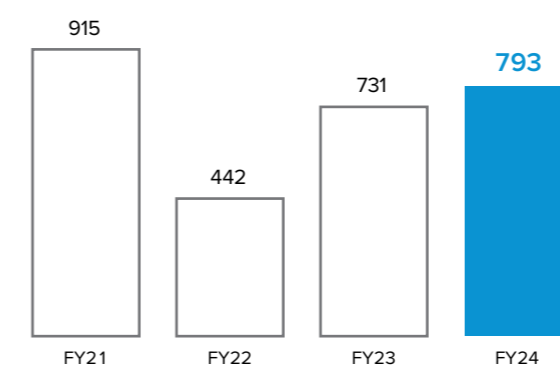


Free Cash Flow from Operations (INR in million)

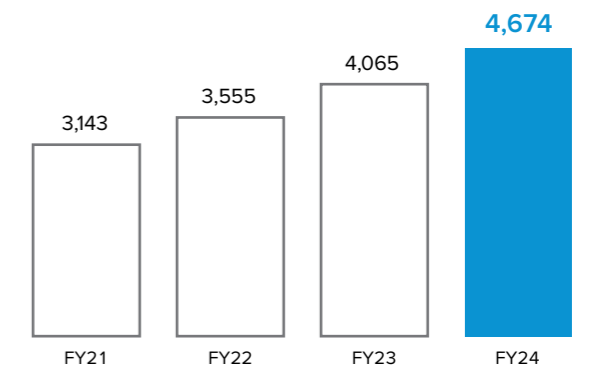


Non-financial

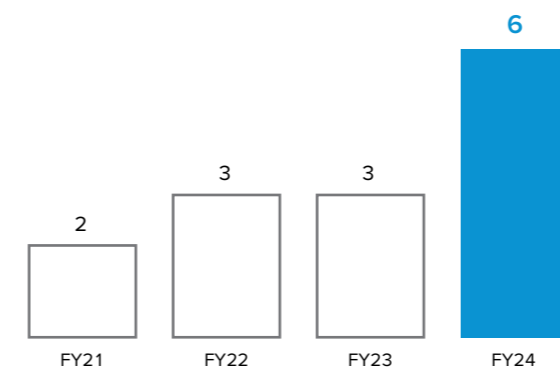
R&D investments (INR in million)



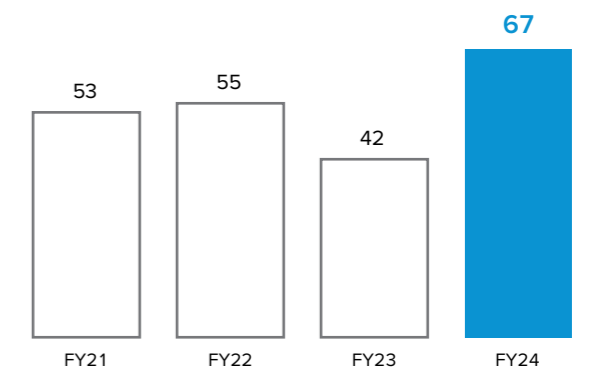
Total employees (No.)



Gender Diversity (%)



CSR spend (INR in million)



Then.

If there is one thing that has remained constant, it is the share of quality shareholders and investors who have been associated with us since our IPO.

Now.

This reflects their belief in our vision and satisfaction with the transparency we provide, something that we have been able to achieve by upholding the highest levels of corporate governance.

67%

holding is with shareholders who have been associated with us since our IPO.

In this section

Value-creation

Business model	32
Evolving landscape	34
S1 – Electrification	36
S2 – Increasing market share	38
S3 – Diversification	40
S4 – Technological prowess	42

Geared for sustainable growth

Inputs

Extensive Global Footprint

We operate ten manufacturing facilities strategically positioned across key markets worldwide, enhancing our ability to effectively serve our clientele.

Seasoned Leadership

Our management team collectively boasts over 120 years of industry experience, offering profound insight into the automotive sector's intricacies.

Dynamic Operational Framework

Leveraging our adeptness in operational agility, we adeptly navigate challenges, ensuring our sustained progress.

Research and Development Excellence

We prioritise R&D endeavours and have invested ~INR 1,966 million since our listing.

Robust Governance

By upholding rigorous standards of corporate governance, our Board ensures the enduring prosperity and growth of our enterprise.

Responsible Approach

Ensuring we conduct our business in the most environmentally friendly manner and have a positive impact on our employees and communities.

Changing automotive landscape



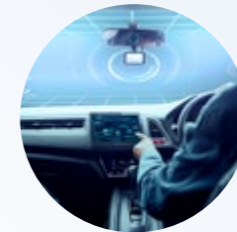
Electrified



Personalised



Intelligent



Connected

Our products

Differential assemblies

Differential gears

In-cabin and Short range radar sensors



Motor control units



EV traction motors



Conventional and micro-hybrid starter motors



EV Transmission Gears

Strategic priorities

S1

Increasing EV presence

S2

Increasing global market significance

S3

Diversifying revenue mix

S4

Investing in technology

Outcomes

INR 31,848 million

Revenue

INR 9,021 million

EBITDA

INR 5,173 million

PAT

INR 8.83 per share

EPS

27%

3-year revenue CAGR

27%

3-year average EBITDA

One of the leading players in the automotive technology space

8.1%

Global market share in differential gears

4.2%

Global market share in starter motors

8

New products launched in last 3 years

INR 226 billion

Order book as on 31st March, 2024

Received the 'Golden Peacock Award' for upholding the highest levels of governance

Received the 'Great Place to Work' certification with a higher rating

Rated 'Low Risk' by Sustainalytics Ratings

~5,400

Students that benefitted from our CSR programmes



In tune with the industry developments

The automotive industry, as we knew it, has undergone a major shift over the last few years. The advent of technology and environmental consciousness has brought forth an E.P.I.C. revolution in the automotive industry.

E.P.I.C future of mobility

E

Electric

The shift towards electric vehicles (EVs) represents a fundamental change in the automotive industry. With increasing concerns about environmental sustainability and the need to reduce carbon emissions, there is a growing emphasis on the development and adoption of EVs. This transition is reshaping the entire automotive ecosystem, from manufacturing processes to infrastructure requirements and consumer preferences.

P

Personalised

The personalisation of vehicles has become one of the primary demands of automotive consumers. Consumers expect tailored experiences and customised services catering to their preferences and needs. In the coming years, personalisation will drive customer satisfaction and loyalty in the foreseeable future.

I

Intelligent

The integration of intelligent technologies is revolutionising the automotive industry. From advanced driver assistance systems (ADAS) to autonomous driving capabilities, vehicles are becoming increasingly intelligent and autonomous. These technologies not only enhance safety and convenience but also enable new business models and mobility solutions. Moreover, intelligent systems enable vehicles to communicate with each other and with the surrounding infrastructure, paving the way for a more connected and efficient transportation ecosystem.

C

Connected

Connectivity is becoming increasingly pervasive in modern vehicles, enabling seamless communication and interaction with the outside world. From infotainment systems to vehicle-to-everything (V2X) communication, connected cars offer a wide range of features and services that enhance the driving experience. Moreover, connectivity enables automakers to collect and analyse data from vehicles, enabling predictive maintenance, remote diagnostics, and other value-added services.

How we are gearing up for this revolution



Aligned with the electrification revolution

In line with our customers' changing preferences, we have consistently adapted to the evolving landscape. In response to the surging demand for electric vehicles (EVs), we have taken proactive steps to introduce new products and enhance our production capabilities.



In recent years, the tangible impacts of climate change have become increasingly evident, leading to heightened awareness and concerted efforts to address this issue. The global shift towards EVs has gathered momentum to mitigate harmful emissions and reduce reliance on fossil fuels. Governments worldwide have initiated proactive measures to expedite this transition, while automobile manufacturers have ramped up their involvement in the EV sector.

At Sona Comstar, we have been forward-thinking and anticipating this paradigm shift, prompting us to invest strategically in research and development (R&D). Consequently, we have cultivated a diverse product portfolio encompassing various electrified powertrains, enabling us to effectively meet the growing demands of EV original equipment manufacturers (OEMs) and align with the industry's evolving dynamics.

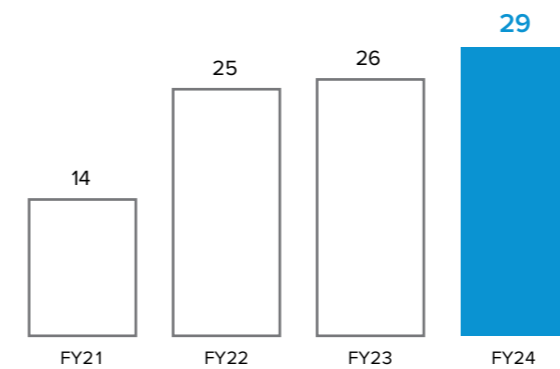
54

EV Programs awarded by the end of FY24

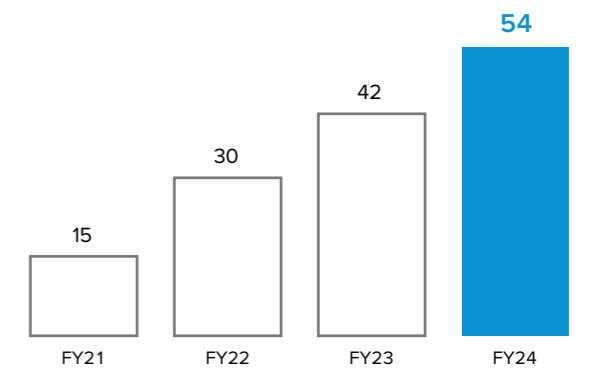
79%

Share of EV in our orderbook

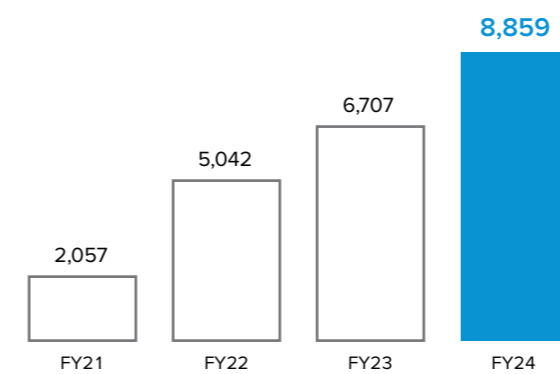
Revenue Share from BEV (%)



EV Programmes (Nos)



BEV segment revenue (INR in million)



Improving our global market significance

Throughout the years, our market share has seen significant growth, attributable to our adeptness in fulfilling the needs and desires of our customers. Our commitment to innovation and emerging technologies has fortified our standing as a respected leader in the global automotive technology sphere.



With manufacturing and assembly facilities strategically positioned across three continents, we hold a pivotal role in the global automotive landscape. Over the past 25 years, our dedication to excellence has earned us the trust of original equipment manufacturers (OEMs) worldwide, positioning us as their preferred partner. Our ability to effectively respond to the evolving demands of OEMs globally has been underscored by our recent successes in securing new orders.

Our primary emphasis remains on innovation and the development of new products, aiming to lead in technology and profitability within our selected product segments and technologies. We have achieved remarkable advancements in expanding our global market share in differential gears and starter motors over the last three years. We are steadfast in our commitment to further enhancing market shares through continuous product innovation.

Suppliers to major global OEMs

INR 51 billion
Worth of new orders added in FY24

39
Programs won in FY24

5
New customers added in FY24

7
Of the world's top-10 PV OEMs

3
Of the world's top-10 CV OEMs

7
Of the world's top-10 tractor OEMs

4
Of the world's top-10 EV OEMs

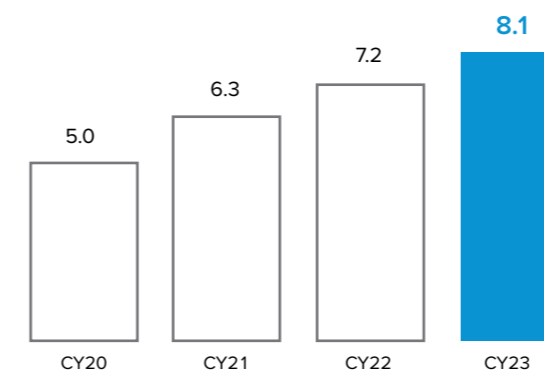
3
Of India's top-10 EV two-wheeler OEMs

Our orderbook

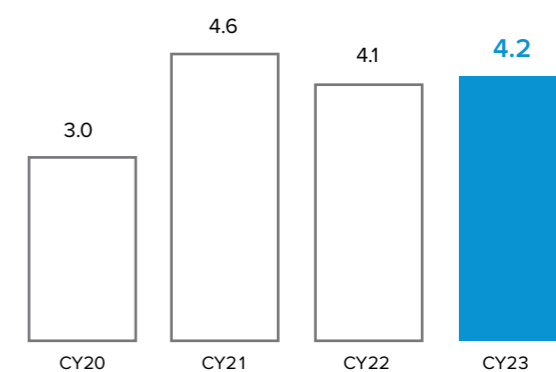
79%
Share of EV in out net order book

INR 226 billion
Net order book as of 31st March, 2024

Global Market Share of Differential Gears (%)



Global Market Share of Starter Motors (%)



In the constant process of diversification

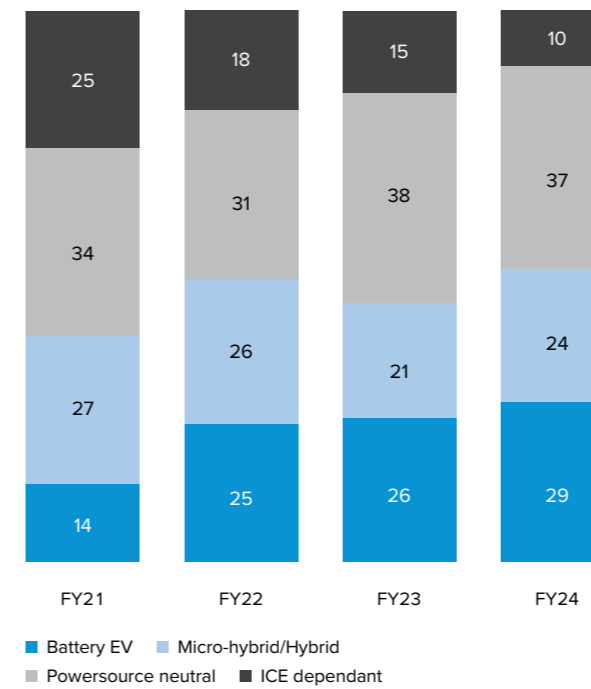
Continuously diversifying our portfolio has been an integral strategy to maintain agility amidst the dynamic disruptions in the automotive industry. By strategically broadening our portfolio, we have successfully established multiple revenue streams, thus diminishing the risks linked to dependency on products, regions, or market segments.

Central to our strategic agenda is the diversification of our revenue mix across diverse geographies, products, and market segments aimed at mitigating concentration risk. Our significant emphasis on electric vehicles mirrors our overarching objective of reducing dependence on internal combustion engine (ICE) powertrains.

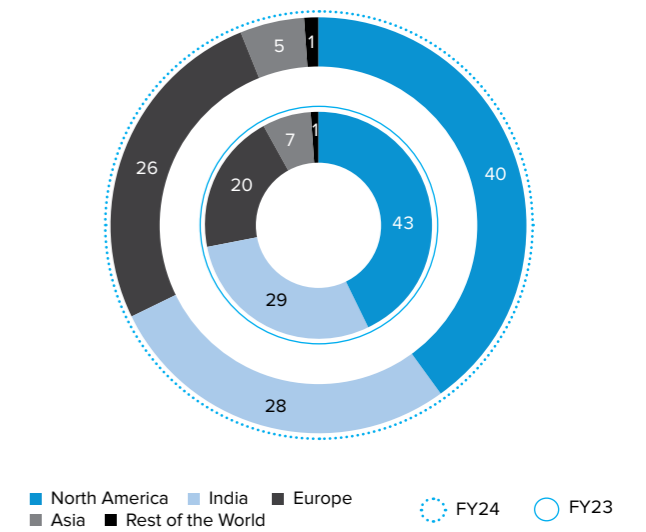


Our optimised portfolio

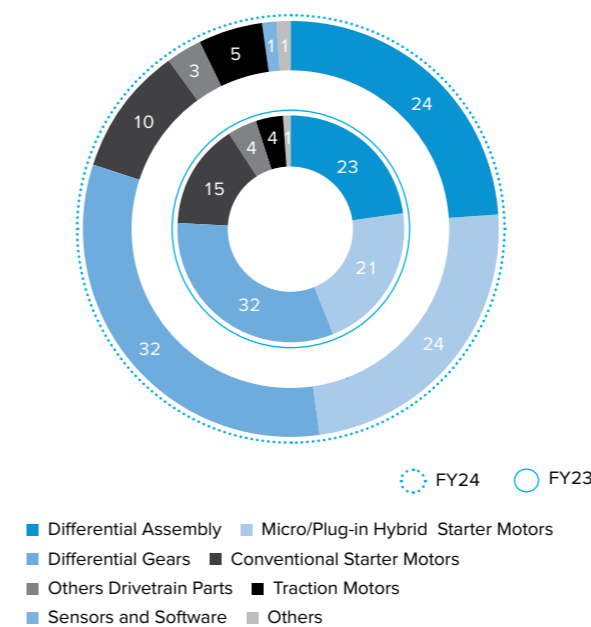
Product Revenue mix by Powertrain (%)



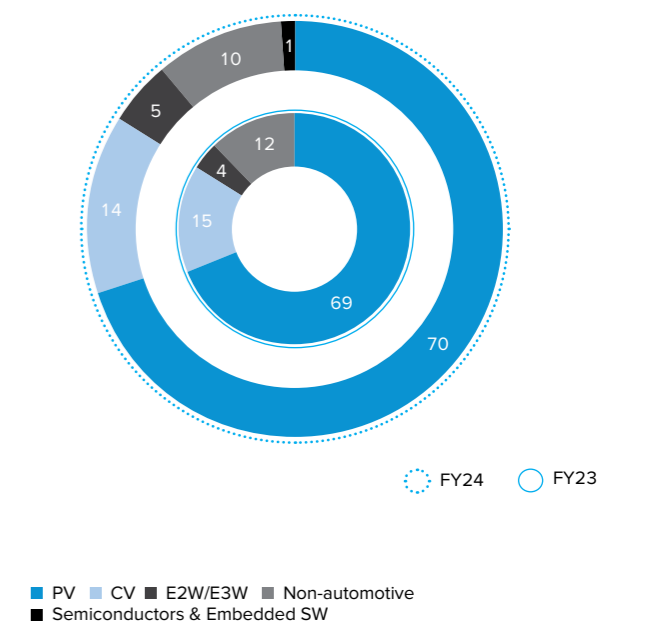
Revenue mix by Geography FY24 & FY23 (%)



Revenue mix by Product FY24 & FY23 (%)



Revenue mix by Market Segment FY24 & FY23 (%)





In celebration of years of technological pioneering



While I prepare to conclude my tenure, I am filled with both nostalgia and gratitude. Thirty-eight years ago, when I joined the legendary Dr. Surinder Kapur to establish Sona Group, little did I imagine that the seeds of excellence we were sowing would grow into one of India's leading automotive technology companies."

Kiran Manohar Deshmukh
Group Chief Technology Officer

Dear Shareholders,

This is the last message I am writing to you as Sona Comstar's Group CTO. After serving the automotive industry for close to fifty years, I will retire on October 31, 2024.

While I prepare to conclude my tenure, I am filled with both nostalgia and gratitude. Thirty-eight years ago, when I joined the legendary Dr. Surinder Kapur to establish a nascent steering systems-making company, little did I imagine that the seeds of excellence we were sowing would grow into one of India's leading automotive technology companies, supplying highly engineered, mission-critical automotive systems and components to the world's leading OEMs.

The voyage since then has been challenging yet rewarding in many ways. It has been a journey of learning and unlearning, forgetting the conventional and embracing the new. We have explored opportunities, allocating time

for innovation, reinforcing a culture of experimentation and failures, and nurturing passionate individuals in the organisation. This approach has helped us navigate numerous challenges and celebrate many milestones, each step forward bolstered by our commitment to innovation. This farewell is thus not just about taking leave after an eventful tenure but a celebration of our collective achievements.

Reflecting on our progress

As we transition to a future filled with promise, my sentiments are a mixture of immense pride and genuine optimism. FY 2023-24 has been a landmark year for our Company, defined by significant technological advancements and strategic partnerships that further our journey towards E.P.I.C. (electrified, personalised, intelligent, and connected) mobility. The year also saw our dedication to innovation, sustainability, and operational excellence reach new heights.

This past fiscal year, while we built upon the success of previously commercialised products like the net-shaped spiral bevel gear, the electronically controlled locking differential (EDL), the input shaft, and the intermediate gear, our focus was on pushing the boundaries of the possible even further. Commercialised over a year ago, these products have laid a solid foundation for our ongoing efforts to revolutionise electric vehicle (EV) components.

Our strategic partnership with the UK's Equipmake is a testament to our forward-looking approach. This collaboration will introduce high-voltage traction motors and liquid-cooled inverters into our portfolio. The alliance not only marks a significant leap in our capability to offer cutting-edge motor technologies but also sets new standards for efficiency and power density in the EV industry, thanks to the revolutionary spoke architecture of these motors.

Our technology roadmap has seen substantial enhancements this year, with the addition of eight groundbreaking products, including an integrated motor controller that we commercialised in the year. This breakthrough product is compact, more efficient, and easy to install. It offers additional benefits, such as more efficient heat management, advanced communication capabilities, and reduced wiring and connectivity issues. From developing lightweight differentials to pioneering advanced integrated motor controllers, our commitment to excellence and delivering superior value remains uncompromising. These initiatives, alongside our ventures in the non-automotive mobility sector and the development of precision gears for industrial robots, underline our broad vision for mobility and our relentless pursuit of innovation.

The launch of our third business vertical, which focuses on sensors and software, marks a significant milestone in our journey. Our radar technology, capable of detecting life presence and optimising safety applications, places us at the forefront of the EPIC revolution. This move diversifies our portfolio and emphasises our commitment to advancing more intelligent, connected, and personalised mobility.

Looking ahead

As we embark on fiscal year 2025, our dedication to pushing the boundaries of technology remains unwavering. Our strategic roadmap is clear: we aim to capitalise on our technological breakthroughs and partnerships to cement our leadership in electric mobility. We are committed to exploring new avenues in personalised, intelligent, and connected mobility, ensuring our offerings exceed our customers' evolving expectations.

More innovative products and technologies will be introduced in the coming years. Our lightweighting, thermal management, and functional safety initiatives are just the beginning of a broader strategy to maintain our competitive edge.

In alignment with our future-oriented strategy, we have planned an increase in our R&D expenditure for FY 2024-25. This investment will make up at least 1% more of our revenue than the previous year, underscoring our commitment to innovation and its pivotal role in driving our future growth.

As we look forward, I am confident of our capacity to continue delivering innovative solutions that catalyse growth, profitability, and sustainability. The road ahead is brimming with potential, and I am thrilled to envision the journey that will shape the future of mobility and create enduring value for all our stakeholders.

Passing the torch with gratitude

As I say goodbye, I am happy to pass the baton to an able, competent, and passionate professional. My successor, Mr. Praveen Chakrapani Rao, has over thirty years of experience in the automotive industry. He has held leadership positions in Business Development, Product Strategy, Sales and Marketing, Product Development, and Engineering. He has worked with global product development teams and has played a lead role in setting up our assembly plants in the US, China, and Mexico. He was responsible for building Sona Comstar's R&D into a 250+ strong team, delivering cutting-edge EV products for the Company. I am confident that Praveen will carry forward our legacy of innovation and leadership. Together, we will ensure a seamless transition, upholding our mission and vision for the future.

The past year's achievements resulted from the dedication and ingenuity of our team and partners. Their concerted efforts have laid a robust foundation for navigating forthcoming challenges and seizing emerging opportunities. I can't thank them enough.

Warmest regards,

Kiran Manohar Deshmukh
Group Chief Technology Officer

Then.

Earlier, we took measures to increase renewable energy share in our energy mix to reduce carbon footprints by setting up roof-top solar power in our facilities. We worked towards increasing employee competency and promoting work-life balance amidst an unprecedented pandemic. Through our CSR programmes, we facilitated start-ups and incubated innovation. We upheld integrity, equity, transparency, fairness, disclosure, accountability, and commitment.

In this section

ESG focus

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Social – People	52
Social – Community	54
Governance	60

Now.

Today, with a holistic approach to ESG, we have set several ambitious targets in each area: environment, social, and governance. We have been consistently adding new products for sustainable mobility and improving our environmental footprints. We are reaping the benefits of our tireless efforts to upskill our workforce and ensure their physical and mental well-being by eclipsing our score on workplace satisfaction indices. Our CSR approach focuses on environmental sustainability, women's empowerment, skill development, education, and livelihood. And in governance, we continue to transcend ethics and compliance to lay the foundation of a sustainable and resilient organisation.





Our ESG goals

Environment



[Read more pg 50](#)

Company-level

Achieve 45% of revenue from EV-targeted products by 2026.

Energy consumption

Driveline business: Reduce specific energy consumption by promoting energy efficiency by 4% by 2025 and 8% by 2030 over a baseline of 2019.

Motor business: Reduce specific energy consumption by promoting energy efficiency by 4% by 2025 and 8% by 2030 over a baseline of 2021.

Scope 1 emissions

Driveline business: Reduce Scope 1 emissions by 5% by 2025 and 10% by 2030 over a baseline of 2019.

Motor business: Reduce Scope 1 emissions by 5% by 2025 and 10% by 2030 over a baseline of 2021.

Scope 2 emissions

Driveline business: Reduce Scope 2 emissions by 15% by 2025 and 30% by 2030 over a baseline of 2019.

Motor business: Reduce Scope 2 emissions by 20% by 2025 and 40% by 2030 over a baseline of 2021.

Water consumption

Driveline business: Reduce specific water consumption by 10% by 2025 and 15% by 2030 over a baseline of 2019.

Motor business: Reduce specific water consumption by 20% by 2025 and 30% by 2030 over a baseline of 2021.

Waste management

Company-level: Reduce waste to landfills by 8% by 2025 and 10% by 2030 over the 2022 baseline.

Non-recyclable material consumption

Driveline business: Reduce the use of non-recyclable materials by 10% by 2025 and 20% by 2030 over a baseline of 2020.

Social



[Read more pg 52](#)

Employee health and safety

Company-level

Maintain a zero-accident environment and zero fatalities and ensure 100% of employees are trained on QHSE by 2024.

Driveline business: Provide four hours of QHSE training per person per quarter.

Motor business: Provide three hours of QHSE training per person per quarter.

Women's empowerment

Company-level

Ensure equal gender pay for equal work at all levels, and ensure 100% of employees are trained on aspects of "respect towards Individuals."

Driveline business: Ensure 6% female employees by 2024 over a baseline of 2018 across operations.

Motor business: Ensure 5% female employees by 2024 over a baseline of 2018 across operations.

Community development

- Impact 6,000 school students by 2025 by improving sanitation facilities at local schools surrounding our operational areas.
- Focus on environmentally sound innovation (e-mobility/eco-innovation) by enabling the skill development of 500 young adults and youth by 2025.

- Promote entrepreneurship among youth by supporting three startups per year.
- Partner with leading public research institutions to advance research for public consumption in the field of curbing air pollution.

Governance



[Read more pg 60](#)

Governance commitments

1. Sensitising the employees of the Company by conducting regular and periodic training and awareness sessions:
 - a) On ethical issues including the prevention of conflict of interest, anti-bribery and corruption, anti-money laundering, anti-trust issues, the prevention of insider trading, and the prohibition of sexual harassment.

- b) For promotion of human rights, diversity and inclusion, fair labour practices, freedom of association and collective bargaining, data privacy, and other corporate social responsibility issues.
 - c) And encourage the value chain partners of our Company to promote human rights and ethical issues as mentioned in (a) and (b) above.
2. To develop a culture of compliance and ensure compliance with all the applicable laws and regulations within the organisation. Also encourage the value-chain partners of our Company to develop a culture of compliance with all applicable laws and regulations.
 3. Implementation of the Data Privacy Framework across the group and creating awareness sessions on data privacy compliance.
 4. Improve the Corporate Governance practices by benchmarking with best governed Companies.

Leading the way with sustainable practices

At Sona Comstar, we are deeply committed to environmental responsibility and carefully monitor the ecological impact of our operations at every site. Our Environmental Management System ISO 14001:2015 is the cornerstone of our approach, guiding our efforts in energy, emissions, water, and waste management. These efforts align with our commitment to quality, occupational health, safety, and environmental policy.

The hands-on participation of our top leadership exemplifies our tenacious adherence to environmental responsibility. We have taken a noteworthy step in confirming this dedication by forming an ESG Committee of our Board, which reviews the implementation of the ESG (Environmental, Social, and Governance) framework. This dedicated approach underscores our allegiance to sustainable practices and environmental preservation.

Monitoring energy intensity metrics diligently

At Sona Comstar, we have successfully adopted the Energy Management System (EnMS) based on ISO 50001:2018 standards across all our facilities. This implementation has uncovered various opportunities for enhancement, allowing us to manage energy resources effectively. In FY 2023–24, 2% of energy consumption was through our currently installed roof-top solar capacity of 2.93 MWp, which represents a 49% increase from the previous year. Our initiatives for setting up a total solar group captive capacity of 21.35 MWp through group captive solar power generating facilities across Maharashtra, Haryana, and Tamil Nadu will significantly increase the renewable energy mix.

4%
improvement in energy intensity in FY 2023-24

21.35 MWp
Setting up of a total solar group captive capacity



Dedication to emission reduction

In the financial year 2023–24, despite significant growth in our operations, we maintained our emissions intensity at the same level as in the previous FY 2022-23, which itself was 10% lower than the FY 2021-22. This clearly shows our dedication to reducing greenhouse gas emissions. Notably, our primary source of greenhouse gas emissions is Scope 2 emissions, mainly from electricity consumption, which accounts for approximately 77% of our total energy consumption. Our efforts to lower emission intensity involve improving efficiency and transitioning to renewable energy sources.

Significant water consumption reduction

Our water management strategy revolves around efficient sourcing and responsible water utilisation. We have invested in facilities for improving the water recycling rate, and to minimise the discharge of water, we have installed water treatment systems such as effluent treatment plants (ETP) and zero liquid discharge (ZLD) plants that enable water recovery. During the financial year 2023–24, we made significant strides in reducing our water intensity. Our total water consumption was 130,342 kiloliters, which we sourced entirely from third parties. Our water intensity per rupee of turnover in FY 2023–24 has a substantial decrease of 13% from FY 2022–23, demonstrating our unwavering commitment to sustainability.

13%
Improvement in water intensity in FY 2023-24



Comprehensive waste disposal strategies

We prioritise safe storage and disposal of hazardous waste, minimising dangerous and non-hazardous waste. We implement initiatives to reduce environmental impact, including recycling waste oil and effluent treatment plant (ETP) sludge. Dedicated waste management areas and facilities ensure the practical and scientific disposal of waste. Specific types of hazardous waste are recycled or reused through authorised vendors, while non-hazardous waste is recycled through authorised recyclers. Our Company provides comprehensive training to employees for efficient operations and waste reduction and conducts training and awareness programmes for different types of waste and their application in the workplace. In the financial year 2023–24, 19,550 metric tonnes of non-hazardous waste were generated, with plastic waste accounting for only 0.5%.

37%
Reduction in share of plastic waste

Accountability in supply chain

Sona Comstar has a procurement policy to prioritise efficiency, competitive pricing, quality, and timely delivery. We aim to achieve this by sourcing from reliable suppliers, negotiating effectively for discounts, and staying informed about market prices. We also prioritise sustainability by incorporating economic, social, and environmental considerations into our operations and implementing a green procurement guideline. Additionally, Sona Comstar promotes local suppliers to boost the local economy and ensures compliance with their Green Procurement Principle, which includes human rights, labour practices, and business integrity. The supplier selection process includes sustainability metrics.

Suppliers must achieve a minimum score of 75% on a 17-metric supplier assessment process, including 12 ESG-related metrics, to qualify as partners, reducing sustainability risks. We conduct supplier surveys, risk assessments, and audits to ensure accountability and transparency within our supply chain. Capacity-building sessions and safety training are provided to suppliers as per new clauses under ISO 14000, and regular supplier meetings are held to discuss our vision, mission, and business plans.

Cultivating a supportive work environment

Our tireless efforts towards strategic human resource management have significantly fortified the organisation. We have intricately woven our people strategy into our overarching objective of proving ourselves as a global technology leader in the automotive sector. Our relentless pursuit involves building a resilient human resources department that drives our Company towards enduring and responsible expansion and cultivates a supportive work environment – a secure space that empowers our employees and fosters sustained success.



Adapting to changing scenarios

Our commitment to sustainability requires us to focus on nurturing our workforce's potential and maintaining an open dialogue with our employees to shape our strategic direction. Our Company's operational excellence relies on attracting, nurturing, and retaining talent. Adapting to changing social, economic, and technological scenarios is crucial. We use KPIs and data analysis in our HR and employee planning guidelines. Our succession planning policy ensures smooth transitions for crucial leadership roles and aligns talent management with business objectives to minimise risks.

Recognising the value of diversity

At Sona Comstar, we are uncompromising in our dedication to fostering an inclusive environment and championing diversity within our workforce. We prioritise individuals from diverse genders, religions, racial backgrounds, ethnicities, and educational backgrounds. This commitment is deeply ingrained in our code of conduct, as we recognise the immense value of diversity in driving creativity, innovation, and effective decision-making. We are resolutely committed to achieving gender balance in our workforce and leadership positions. Our unwavering investment in the professional development of our employees is supported by our Remuneration Policy for Directors, Key Managerial Personnel, and Other Employees, which sets transparent and equitable criteria for compensation and aligns our human resources' aspirations with our Company's overarching goals.



Recertified as Great Place to Work with a higher score than the previous year

6%

Share of women employees in the workforce

and engaging work environment by organising various activities such as Fun Fridays, games, tournaments, and festive celebrations. These initiatives have strengthened the bonds among our colleagues and contributed to a more cohesive department and organisation. In addition, we honour our dedicated employees who have reached service milestones of 5, 10, 15, 20, 25, or more years with awards and heartfelt gratitude extended to their families. We also emphasise maintaining a stimulating work environment through regular events and monthly employee engagement activities. Our programmes, such as 'On the Spot Awards, Star of the Month, Star of the Year, and a Suggestion Scheme', recognise outstanding contributions and foster a sense of ownership and continuous improvement. Lastly, our 'ROWE Star' programme reflects our commitment to teamwork and a result-oriented work environment to recognise and support our top-performing teams, reinforcing the collaborative spirit embedded in our work ethos.

Fostering continuous improvement in safety

We place the utmost importance on creating a secure working environment for our employees and workers. This commitment extends to our facilities and to creating a healthy and safe workplace for our employees and contractors, business partners, site visitors, and the communities impacted by our operations. We have established a robust security system based on well-designed processes, real-time data, and shared responsibility principles to achieve our zero-harm vision. From a corporate governance perspective, our senior management and crucial facility personnel play a key role in implementing comprehensive safety policies, procedures, and measures. Our facilities and premises uphold high occupational safety standards, surpassing compliance norms. We regularly assess health and safety standards and working conditions across all our facilities. Our Company's health and safety policy applies to all employees, officers, subcontractors, and other third-party service providers. We strive for zero occupational incidents by adhering to the safety management system, which includes hazard mitigation and a focus on process refinement and improvement. All our facilities comply with ISO 45001, the Occupational Health and Safety Management System.

Commitment to collective bargaining

We deeply value workers' and employees' rights to come together and negotiate for their collective interests. Labour unions are essential in fostering a harmonious work environment by providing valuable guidance to managers, supervisors, and employees on various human resources matters. They also help resolve industrial relations, unfair labour practices, and complaints. We are pleased to report that during the reporting period, we did not encounter any instances where employees' rights to freedom of association or collective bargaining were compromised.

Elevating performance and productivity

The well-being of our employees is our top priority at our Company. A comprehensive workplace health programme meets our employees' immediate health needs and lays the groundwork for their long-term wellness. A healthy workplace supports our employees' physical and mental well-being, which we value as our most important asset. Investing in their health can enhance employee satisfaction, increase retention, boost morale, reduce sick leave, improve engagement and resilience, and ultimately elevate overall performance and productivity, leading to a brighter future for our Company.

Reinforcing a collaborative spirit

To keep our workforce engaged and ensure the overall development of our workforce as part of our ongoing efforts to facilitate meaningful connections, we have introduced an employee magazine that features articles spotlighting our employees and their families. We have created a vibrant

Empowering communities for progress

Our CSR strategy focuses on sustainability through innovations and incubations and on social needs such as education, a clean environment, livelihood, skill development, and economic opportunities. These efforts aim to empower socially and economically disadvantaged individuals to achieve self-sufficiency. Our CSR spending is carefully directed towards these focus areas to bring about positive social change, benefiting marginalised, impoverished, and underprivileged members of society while contributing to environmental sustainability. This approach aligns with the company's corporate social responsibility (CSR) policy. Additionally, we do support humanitarian and relief efforts during natural disasters and crises, showcasing our dedication to helping communities in despair and need.



9

Startups have been supported to promote innovation in the area of green mobility in partnership with FITT and IIT Delhi since the beginning of the project.

2

Startups supported to promote innovation in technologies, in partnership with CIIE and IIM Ahmedabad.

During the year, we were conferred with the CII-ITC Sustainability Award 2023 Commendation for Significant Achievements in CSR.

INR 67 million

Amount spent and committed towards CSR initiatives during FY 2023-24.

Our CSR Pillars

Our CSR strategy rests on the six pillars that aim to strengthen and support the communities.

- 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
- Sona Comstar - Stree Shakti Bharat Program



Sona Comstar - Samridh Bharat Program

The programme seeks to support entrepreneurs and innovators who help create safe, convenient, and clean mobility for everyone. The programme provides funding, resources, infrastructure, and expertise to help create innovative solutions. The selection process happens every year through a specific application process. The innovators will own and have the right to use the intellectual property emanating from such innovations.

Sona Comstar - Swasth Bharat Program

Under the Swasth Bharat Program, the focus is on prioritising healthcare and nutrition to improve overall well-being and healthcare services. The programme promotes health education among socially disadvantaged groups, schoolchildren, and communities. This initiative is designed to enhance the quality of healthcare and nutritional support provided to the people of India, ultimately contributing to a healthier and more prosperous society.

Sona Comstar - Surakshit Bharat Program

Under the Surakshit Bharat Program, our primary goal is to prioritise measures to ensure the welfare of armed forces veterans, war widows, and their dependents. Our focus is on providing support to organisations dedicated to assisting families of martyrs, war widows, disabled soldiers, and the children and dependents of the armed forces. This crucial initiative contributes to security and welfare for these individuals and their families.

Sona Comstar - Saksham Bharat Program

Water, sanitation, and hygiene in schools refer to a combination of technical and human development components necessary to produce a healthy school environment and to develop or support appropriate health

and hygiene behaviours. Girls are particularly vulnerable to dropping out of school, partly because many are reluctant to continue their education when toilets and washing facilities are not private, safe, or simply not available. When schools have appropriate, gender-separated facilities, an obstacle to attendance is removed. Thus, having gender-segregated toilets in schools matters for girls, as it ensures their safety, privacy, and dignity, fostering a conducive learning environment. Sona Comstar has been supporting schools in Tamil Nadu on water, sanitation, and hygiene since 2015. We identify a few schools annually and continue helping them over the years.

Sona Comstar - Swachh Bharat Program

Through our Swachh Bharat Program, we strive to promote environmental sustainability by reducing waste and promoting recycling, conserving natural resources such as water and forests, combating environmental degradation by reducing pollution and protecting wildlife habitats, maintaining the ecological balance in sanitation by promoting clean and safe waste disposal practices, and providing clean drinking water facilities in schools to ensure the health and well-being of students.

Sona Comstar - Stree Shakti Bharat Program

Through our Stree Shakti Bharat Program, our primary focus is empowering women in various aspects. We are committed to promoting education and providing opportunities for employment while enhancing vocational skills, with a particular emphasis on women.

Key initiatives undertaken in FY 2023-24

Besides our employees, we facilitate societal development through our CSR programmes. Through our partnership with FITT and IIT Delhi, we have helped nine startups encourage innovation in mobility since the beginning of the project. Similarly, in collaboration with CIIE and IIM Ahmedabad, we have backed two startups working on innovative technologies in the current financial year. Besides these, we are sustaining women's education through a scholarship programme with Ashoka University, establishing a skill development centre in partnership with Tata Strive, and supporting various government schools in Tamil Nadu by providing improved infrastructure to students. An independent impact assessment agency has assessed our CSR programmes in the 'Platinum' category. During the year, the CII-ITC Sustainability Award 2023-Commendation for Significant Achievement in CSR—was conferred on us.

Sona Comstar's CSR programmes for impact assessment in FY 2023-24

The six programmes considered for the CSR impact assessment for FY 2023-24 are:

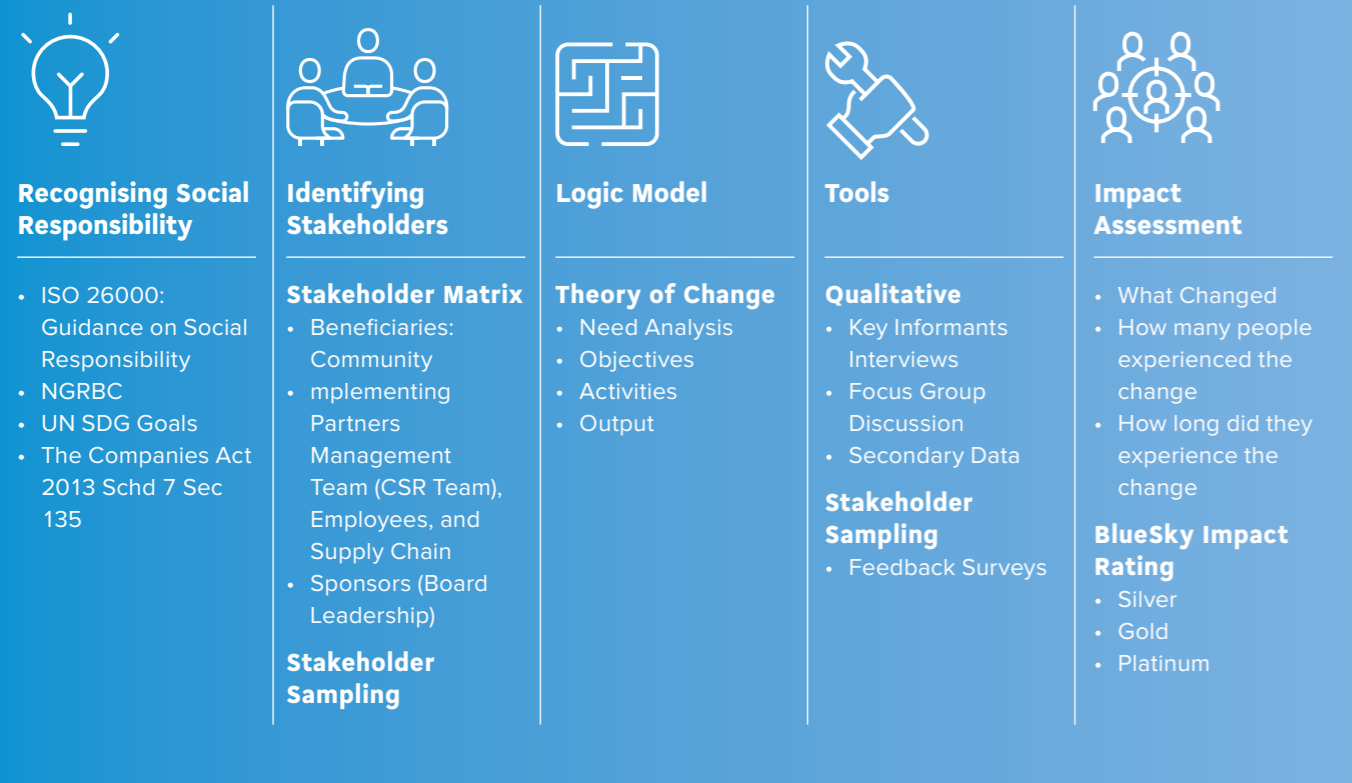
- Sona Comstar IIT Delhi Innovation in Mobility Project with the Foundation for Innovation and Technology Transfer (FITT) at Indian Institute of Technology, Delhi.
- Centre for Innovation Incubation and Entrepreneurship at the Indian Institute of Management, Ahmedabad (CIIE Initiatives-IIMA).
- Government Schools in Tamil Nadu construction, renovation, and maintenance of basic infrastructure.
- Sona Comstar Scholarships for Women Scholars, Particularly in Science, Technology, Engineering, and Mathematics (STEM) at Ashoka University.
- Sona Comstar Tata Strive Skill Development Centre in Chennai.
- Sona Comstar Digital Literacy Centres in Manesar and Gurgaon with Youthreach.

Project 1: Sona Comstar IIT Delhi Innovation in Mobility Project

About the Beneficiaries – Nine Startups

1. **Motorama EV:** A specialist motor design and development lab working on advanced motor technology.
2. **Octarange Technologies:** Battery technology development company with a core focus on smart, safe, and sustainable battery packs for electric vehicles and energy storage applications.
3. **Calvem Energy:** Calvem Energy makes high-performance motors and controllers for electric vehicles. Currently, Calvem caters to two-wheelers and high-speed three-wheelers. The modular, scalable design ranges from 3 kW to 8 kW.
4. **Aatral ESP (Undergoing Tech DD):** NaSICON-based sodium-ion cell technology offers a more affordable, sustainable, and safer alternative to lithium-ion batteries, making them a promising solution for the future of energy storage.
5. **Dopar Energy (Undergoing Tech DD):** Dopar Energy is working on building controllers for axial flux and BLDC motors.
6. **Quanteon Powertrain:** E-Axle, with its unique design, will be highly optimised and efficient as electrical and mechanical losses currently existing in radial flux powertrains will be reduced or eliminated.
7. **inGO Electric:** InGO Electric is working on the technology of retrofitted solutions using a CVT-based powertrain.
8. **Creatara Mobility:** A modular vehicle platform with a removable battery stack, enabling charging from the nearest charging outlet with minimal effort.
9. **P3C Technologies:** Development of integrated Perovskite solar cells on metal and plastic parts of a car.

Impact assessment methodology





Project 2: Centre for Innovation Incubation and Entrepreneurship at the IIMA

About the Beneficiaries – Two Startups

- Guerin Aerospace:** Composite Materials Aerospace Company offers flexible composites with high strain capacity, which simplifies intricate space mechanisms.
- NABH Drishti Aerospace:** Developing and designing small gas turbine engines in the range of 300 and 1000 SHP based on clean fuel technology.

Long-Term Impacts of the Project

- Estimated 100+ direct job creations over the period of five years.
- 0.6 million directly influenced by technology developed over the course of five years
- Guerin aims to employ a highly skilled workforce of 300+ over the course of the next ten years

Project 3: Supporting government schools in Tamil Nadu

Sona Comstar has been supporting government schools in Tamil Nadu on water, sanitation, and hygiene since 2015. It identifies a school(s) every year and continues to support these schools over the years.

A total of 8 schools in Tamil Nadu (7 from previous years and 1 from FY 2023–24), with a total of 5,459 students (2,327 boys and 3,132 girls), are being provided with toilet complexes and maintenance staff for the toilets.

This project continues to have a high impact and is highly relevant for students from underprivileged areas. Continuing to maintain the 7-toilet complex built in the previous years as well as the new toilet complex built

in FY 23–24 ensures the sustainability of this CSR investment in health, sanitation, and education. The well-maintained toilet complexes contribute to clean school premises, ensuring continued education, especially for girl students. The project provides segregated toilets for boys and girls, cleaning supplies, support staff for the maintenance of toilets, and renovation of school facilities. The projects' efficiency and effectiveness are high, with the spending on the requirements well planned and documented.

Location wise details are covered in the impact assessment report published by the Company.



Project 4: Offering scholarships with Ashoka University

15 women scholars from the UG batch of 2022–25 are being supported with different percentages of fee waivers from the Sona Comstar grant.

The need-based scholarship programme at Ashoka offers financial support to all deserving, high-need students who get enrolled at Ashoka but who are not able to afford the education due to their socio-economic background.

This project catalysed transformative journeys for students and the testimonials of the students, underscore the profound ripple effects of the scholarship initiative at Ashoka University.

In essence, the scholarship initiative at Ashoka University stands as a beacon of opportunity, illuminating pathways to academic excellence, personal growth, and societal impact for students.

Project 5: Setting up of digital literacy centers with Youthreach

Under the Digital Literacy Training Programme, the goal is to reach out to adolescents and youth to enable them to access better employment opportunities and livelihoods through training in digital literacy skills. The students are identified mainly from the nearby areas of the operations of the company, which include Begumpur Khatola village in Gurgaon and Manesar village in the Manesar region.

Youthreach has established two training centres, one each in Manesar and Gurgaon. The trained youth and

women will be awarded the NIIT Certificate and will be able to compete and find suitable employment opportunities at the entry level, wherein having an NIIT certificate will give them an edge.

Apart from the Computer Training course of the NIIT Foundation, Youthreach also trains the students on graphic design skills undertaken by the Youthreach's internal social media marketing and communications.

Project 6: Setting up of Tata Strive skill centre

BFSI course: 12 students (1 male and 11 female) enrolled and registered. In total, 60 students were trained in FY 2023–24, and 100 students are likely to be trained in FY 2024–25.

CNC course: To be started in May or June 2024 with a target to train 250 students in three years, which includes placements. The plan is to ensure 90% female students for the course. Tata Strive and Sona Comstar will issue certificates for this programme.

Front office associate: To be started in May/June 2024. 40 students were trained in FY 2023–24, and 60

students are likely to be trained in FY 2024–25. The Taj Group will issue certificates for this programme.

Under this project, our Company has collaborated with Tata Strive, which is specialised in providing best-in-class multi-skilling, multi-domain centres that have standardised infrastructure and brand design, content, and processes.

This project is aimed at uplifting underprivileged youth through skill development initiatives. Support from Sona Comstar enables a focus on three specific skill sets, as enlisted above.

Rating of CSR projects

Based on the proprietary scoring algorithm, InGovern and Bluesky have assessed the Sona CSR programmes with a 'Platinum' category of performance in CSR activity. The Platinum category of the CSR project performance demonstrates:

- Sustainability commitment.
- Leadership visionary on social responsibility.
- Stakeholder partnership and multi-organisational alliances.

In conclusion, Sona Comstar's CSR interventions and projects significantly impact society and the environment, and their contribution aligns with the Companies Act 2013, Schedule VII, Sec. 135, and the UN Sustainable Development Goals. The overall purpose of the CSR Impact Assessment is for Sona Comstar to assess the impact of its CSR efforts, strive to maximise the impact of its CSR programmes, and identify areas for further engagement with the community.

The ones responsible for this transformation



Corporate Governance at Sona Comstar continues to remain one of the focus areas for Corporate Excellence. Our Company has implemented a robust framework on Governance, Ethics and Compliance, Data Privacy, Cyber Security, and Risk Mitigation.

By upholding the principles of corporate governance, we aspire to create a value system, foster a culture of integrity, and positively create an impact on all our stakeholders and the automotive industry as a whole.

During the year, we were conferred the 'Golden Peacock Award for Excellence in Corporate Governance-2023' at the national level by the Institute of Directors.



Sunjay Kapur
Chairman and Non-Executive Director

1 3 5 6 7 8



Vivek Vikram Singh
Managing Director & Group CEO

4 5 6 8



Amit Dixit
Non-Executive and Nominee Director

2

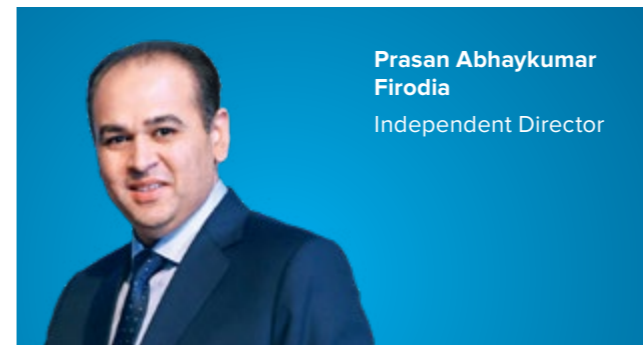


Manisha Girotra
Independent Director

2 3 5 8

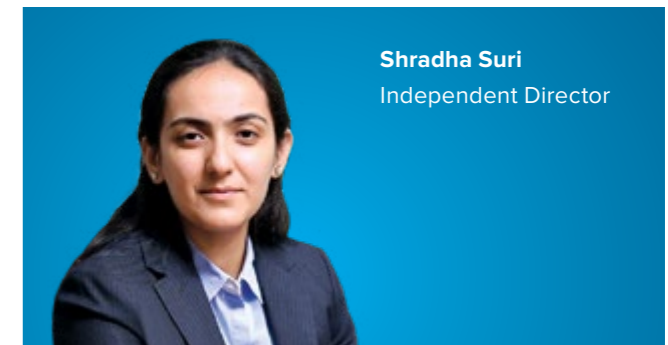
Board Committee

1. Audit	5. Risk Management	■ Chairperson
2. Nomination and Remuneration	6. Environment Social and Governance	■ Member
3. Corporate Social Responsibility	7. Capex	
4. Stakeholders Relationship	8. M&A	



Prasan Abhaykumar Firodia
Independent Director

1 2 3 4



Shradha Suri
Independent Director

2 3



Venkata Rama Subbu Behara (B V R Subbu)
Independent Director

1 2 7



Jeffrey Mark Overly
Independent Director

1 2 4 5 6 7

Leadership Team



Vivek Vikram Singh
Managing Director & Group CEO



Vikram Verma Vadapalli
CEO, Driveline Business



Sat Mohan Gupta
CEO, Motor Business



Mr. Kiran Manohar Deshmukh
Group CTO



Mr. Rohit Nanda
Group CFO

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Management Discussion and Analysis

INDUSTRY OVERVIEW

The calendar year (CY) 2023 saw a notable resurgence in global automobile sales following a period of economic stability and a gradual easing of supply chain challenges in CY 2022. According to S&P Global Mobility, total global light vehicle sales in CY 2023 numbered ~86 million units, 8.9% higher than the previous year. All our international markets i.e. North America, Europe, and Asia saw strong growth in annual sales volumes. Notwithstanding the ongoing Russia-Ukraine war, high inflation, widespread strikes in US factories, and rising interest rates, North American and European markets registered a significant rebound compared to the preceding year. The Asian market also performed well owing to the increased global demand for Chinese EVs and increased car sales in Japan, driven by a lower baseline resulting from semiconductor and component shortages.

In India, the mass-market passenger vehicle (PV) industry crossed the 4 million mark and registered highest-ever yearly sales in CY 2023. The demand for tractors remained low because of irregular monsoon patterns and decreased exports¹. Alleviation of supply chain shortages, especially in semiconductors, from CY 2021 and CY 2022 led to substantially higher PV sales in CY 2023 despite various industry-specific challenges such as fuel and car price inflation, rising interest rates, and unfavourable geopolitical situations. As a result, global automobile production remains strong, benefiting from normalising supply chains and increasing affordability of battery electric vehicles (BEVs).

COMPANY OVERVIEW

Sona BLW Precision Forgings Limited (Sona Comstar) is one of the world's leading mobility technology companies, designing, manufacturing, and supplying highly engineered, mission-critical, high-quality, complex, and bespoke systems and components for global mobility OEMs for both electrified and non-electrified powertrain segments.

It was incorporated in 1995 as Sona Okegawa Precision Forgings Limited, a JV between Sona Group and Mitsubishi Materials. The Company pioneered the technology of precision-formed bevel gears in the Indian automotive market. Later, the Company acquired Thyssen Krupp's precision forging business, BLW, which was the inventor of this technology, and renamed itself Sona BLW. In 2019, it acquired Comstar Automotive to add motor capabilities and formed a new brand identity – Sona Comstar. In 2023, it acquired a majority stake in NOVELIC and added capabilities in Sensors and Software.

Headquartered in Gurugram, India, Sona Comstar is a leading supplier for the fast-growing global EV market, with 29% of its product revenues being generated from the battery electric vehicle (BEV) segment. It is also a global supplier with 10 manufacturing and assembly facilities across India, the US, Mexico, and China, and 72% of its sales being undertaken for the international markets. The Company has

a diversified revenue base across geographies, products, vehicle segments, and customers.

An innovation-driven Company, Sona Comstar develops and delivers mechanical, electrical, electronic systems and components, as well as automotive software and semiconductor chip design services for various forms of mobility. It aspires to become one of the world's most respected and valuable mobility technology companies.

BUSINESS PERFORMANCE

In Financial Year (FY) 2023-24, the Company's revenue grew by 19%, while EBITDA and net profit grew by 30% and 31%, respectively. Even though the existing business grew marginally, given several industry challenges, various new programs that commenced production during the year or ramped up, proved to be the key growth drivers. The domestic business faced several challenges during the year, such as lower electric two-wheeler production due to vehicle homologation for new battery standards, pricing fallout and lower demand for a few electric two-wheeler OEMs after FAME II subsidy reductions.

During the year, we completed the acquisition of NOVELIC and added a new business vertical of Sensors and Software. With this acquisition, we expanded our technology landscape and modified our Vision statement, replacing the word 'auto technology' with 'mobility technology' to include all forms of future mobility. We also revamped our technology roadmap to reflect our efforts to develop technologies for electric, personalised, intelligent, and connected (E.P.I.C.) mobility.

Our consistent growth over the years is a result of our relentless focus on and execution of our four strategic priorities: electrification, global market significance, diversification, and technology.

Electrification

Our BEV revenue grew by a staggering 32% to INR 8,859 million. It now contributes 29% to our total product revenue. During FY 2023-24, we were awarded 12 new EV programs and added four new EV customers. Amongst our most notable program wins were those for a rotor-embedded differential sub-assembly, along with an epicyclic geartrain and rotor shaft, for a North American new-age OEM of electric passenger vehicles, and an integrated motor controller for an Indian two-wheeler OEM for their first new electric model. These two wins demonstrate our technical ability to provide solutions for any powertrain architecture needed by our customers.

The other programs were for diverse applications, such as differential assembly for electric commercial vehicles, hub-wheel traction motor for electric two-wheelers, mid-drive traction motor and controller for electric off-highway vehicles, mid-drive traction motor for electric three-wheelers, and spool gear and differential assembly for electric passenger vehicles.

Global market significance

We increased our global market share for our legacy products – differential gears and starter motors – to 8.1% and 4.2%, respectively. We also expanded our order book by winning new programs from global customers. In FY 2023-24, we won 39 new programs, which added INR 51 billion to our strong 10-year net order book¹ of INR 226 billion. Of this, 79% is contributed by EV programs, which indicates that our product revenue share from EVs will grow further in the coming years.

Diversification

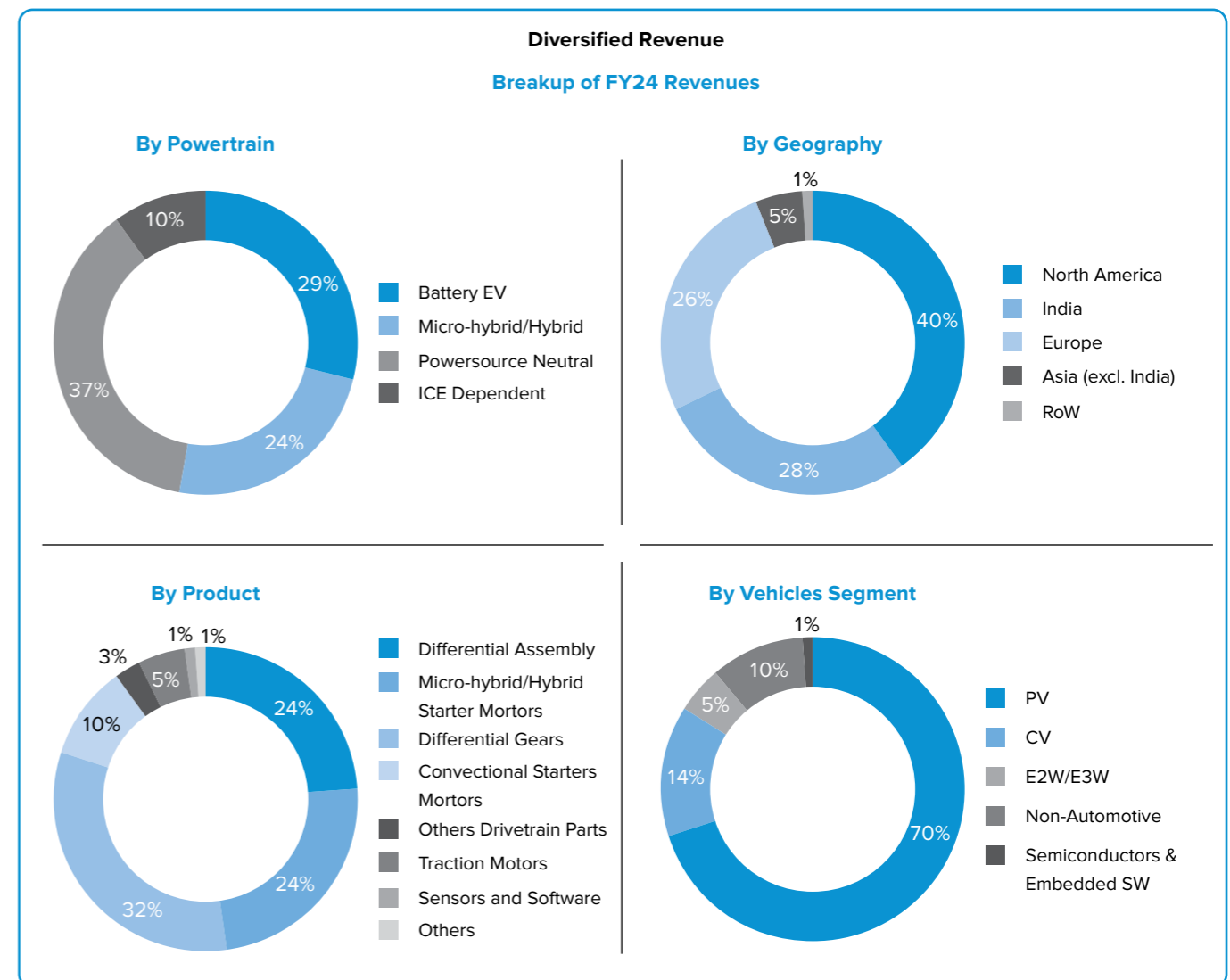
We continue to keep our revenue well-diversified across powertrain, geography, products, and market segments. In terms of powertrain, during FY 2023-24, most of our revenue came from power source neutral products, which stood at

37% of the product revenue, followed by battery EV (29%), micro-hybrid/hybrid (24%), and ICE dependent (10%).

In terms of geography, North America remained our largest market, contributing to 40% of our revenue, followed by India (28%), Europe (26%), Asia (5%) and the rest of the world (1%).

In terms of products, differential gears were the biggest contributor with 32% of the revenue, followed by differential assemblies (24%), micro/plug-in hybrid starter motors (24%), conventional starter motors (10%), traction motors & controllers (5%); remaining revenue was from other drivetrain parts, sensors and software, and others.

In terms of market segments, passenger vehicles remain our largest market with 70% of our revenue, followed by commercial vehicles (14%), non-automotive (10%), electric two/three-wheelers (5%), and semiconductors & embedded software (1%).



¹ Net order book means the aggregate revenue from awarded programs which are either yet to start production or are yet to fully ramp up in the next 10 years after adjusting for the negative impact of all programs that are expected to reach the end of life or be phased out. We have also applied a discount to accommodate any unforeseen delays or changes in program launches that may happen in the future.

¹[Source: The Society of Indian Automobile Manufacturers (SIAM) Tractor Manufacturers Association (TMA)]

Technology

During FY 2023-24, we made a significant change in our technology roadmap and aligned it with the E.P.I.C. mobility landscape. We also added to our technology roadmap mmWave radar technology-based products, such as in-cabin sensors, 360° short-range radar sensors, and zone monitoring sensors after acquiring a majority stake in NOVELIC. We added a total of eight new future products to the roadmap, including these three. The others were robotic gears, lightweight differential, steering bevel box, non-auto mobility motors, and integrated motor controller.

For one of the newly added future products, integrated motor controller, we also won a program and commercialised it during the year, offering our customers the advantages of compact design, improved efficiency, better thermal management, and cost-effectiveness. Further advancing on the roadmap, we signed a technology licensing

agreement with Equipmake, a UK-based technology company, to get a licence for their patented spoke motor and inverter technology in the power range of 100kW to 440kW for manufacturing and selling them for various EV applications such as cars, buses, commercial vehicles and off-road vehicles.

Three-year journey since the IPO

We made our initial public offer (IPO) nearly three years ago, on 24th June, 2021. Since then, our business has been exposed to various external factors that impacted our quarterly performance. However, with our resilient business model, we have overcome those challenges and have been able to generate more than a two-fold growth on most key metrics. A glimpse of our progress on those key metrics is in the following table.

Our performance on key metrics

Metric	FY 2020-21	FY 2023-24	Growth
Revenue (in INR million)	15,663	31,848	2.0x
EBITDA (in INR million)	4,410	9,021	2.0x
Net Profit (in INR million)	2,152	5,173	2.4x
Net Order Book (in INR million)	140,000	226,000	1.6x
BEV Revenue (in INR million)	2,057	8,859	4.3x
BEV Revenue Share	14%	29%	2.1x
No. of EV Programs	15	54	3.6x
No. of EV Customers	10	30	3.0x
Global Market Share in Differential Gears	5.0%	8.1%	1.6x
Global Market Share in Starter Motors	3.0%	4.2%	1.4x
No. of Products in our Portfolio	10	18	1.8x

Opportunities

We believe that the future of mobility is electric, personalised, intelligent, and connected (E.P.I.C.). We started our journey toward electric mobility back in 2016. In the past couple of years, we have initiated our journey toward the remaining three pillars and believe there are ample opportunities in each area.

Electric

A trend that has gained remarkable momentum in recent years is electrification of powertrains. This shift is propelled by various factors: heightened awareness of climate change among all stakeholders, ambitious targets set by OEMs who are aiming for 100% sales of zero-emission vehicles, consumer preferences shifting towards emission reduction, rapidly evolving battery technologies, improved charging infrastructure, and supportive government policies and incentives.

According to the IEA's Global Electric Vehicle Outlook 2024, sales of electric cars, including BEVs and plug-in hybrid electric vehicles (PHEVs), surged to nearly 14 million worldwide in CY 2023, marking a 35% increase from the previous year. The share of electric cars in total car sales spiked from 14% in CY 2022 to 18% in CY 2023. Notably, China led the global electric car sales, accounting for approximately 60% of the market. Europe and the US followed,

with 25% and 10% shares, respectively, in global electric car sales. However, in terms of electric car sales growth, the US clocked 40% growth, higher than China and Europe with 35% and 20%, respectively. This surge in EV adoption signals a pivotal moment in the industry's electrification journey, with nearly all major automakers pivoting towards EVs.

The IEA's Stated Policies Scenario (STEPS) projects global electric car sales to reach 40% by CY 2030, an improvement from its last year's projection of 35%. China, Europe, and the US together will reach a sales share of over 60%, highlighting a continued global shift towards electric mobility.

Personalised

Technological advancements and digitalisation have not only transformed vehicle life cycle stages but also revolutionised customer expectations. Vehicles are now perceived as connected and intelligent digital entities capable of providing personalised experiences. The user experience in connected cars may include basic personalisation features as well as predictive and customisable experiences driven by Artificial Intelligence (AI). This evolution extends beyond the driver to encompass all occupants, offering tailored controls, infotainment, and digital services. Voice and gesture interactions further enhance the user experience, with the potential for vehicles to anticipate occupants' needs, promising a transformative consumer experience in the future.

Intelligent

Scalable central computing clusters with embedded AI capabilities will characterise intelligence in future vehicle architectures. Vehicles will leverage extensive sensor technologies to communicate road conditions, enhance safety, and improve efficiency. The development of assisted and autonomous driving remains pivotal, leading to the proliferation of software content in vehicles. As vehicles become increasingly autonomous and connected, the complexity and volume of code will surge, further propelling the evolution of intelligent mobility solutions.

To deliver products with higher levels of automation, automakers and new-age mobility manufacturers will require sufficient sensors and computing power coupled with a software-driven development process. According to a Capgemini report on Connected Mobility, by CY 2030, the Advanced Driver-Assistance Systems (ADAS) market will grow to USD 75 billion². In another report on the future of mobility, McKinsey mentions that ADAS and Autonomous Driving (AD) could generate between USD 300-400 billion of business in the passenger car market by 2035³.

Connected

Connectivity is another cornerstone of future mobility, facilitating seamless communication between vehicles, infrastructure, networks, and pedestrians. Vehicle-to-everything (V2X) connectivity promises safer and more efficient commuting, becoming indispensable for smart cities. From Vehicle-to-Customer (V2C) connectivity to Vehicle-to-Vehicle (V2V) and Vehicle-to-Infrastructure (V2I) communication, the automotive industry is on the brink of a connectivity revolution. According to Capgemini, by CY 2030, 95% of cars sold globally will be connected while the number of subscribers with telematics services in cars will reach 376 million worldwide by 2026². McKinsey projects that over 45% of global new car sales could feature advanced personalisation and connectivity levels by CY 2030, underscoring the profound impact of connectivity on future mobility experiences⁴.

Personalisation, intelligence, and connectivity, along with the megatrend of electrification, will create a Goldilocks scenario in mobility and reshape the future.

THREATS, CONCERNS, AND RISKS

We have a strong mechanism for anticipating and managing risks. Our robust systems, processes, standards, code of conduct, organisational structure, and appropriate review mechanisms enable us to conduct our business and actively monitor, manage, and mitigate potential risks.

However, the business is susceptible to certain risks and uncertainties arising from the following factors:

Escalation of geopolitical uncertainty

Our business depends on the performance of the automotive sector globally, including key markets such as the US, Europe, India, and Asia. Our operations in multiple countries can be impacted by expected and unexpected changes in the legal and regulatory environments in which we operate. Additionally, geopolitical instability in the countries or regions where we operate could impact our business and challenge its overall performance.

Volatility in key raw materials

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

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

We operate globally and can be affected by unprecedented crises like the COVID-19 pandemic, which led to a significant downturn in the global economy and substantial curtailment of business activities worldwide. There remains a possibility that this crisis, or a similar public health threat, could substantially affect the business's financial condition and operations.

Change in regulations and industry trends

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

Risk mitigation, internal control systems, and their adequacy

We believe that managing existing and emerging risks effectively is vital for realising our objectives. We have a well-covered risk management framework that works at different levels across the organisation. Our internal control systems are regularly tested for design, implementation, and operating effectiveness. Overall, we have a robust risk management framework, enabling us to manage and report on risks effectively.

Resilience

Our business witnessed some major headwinds in various aspects, such as geopolitical conflicts, government policies and regulations, and inflationary trends in raw materials.

²[Source: Customer Centricity: Realising the promise of connected mobility – Capgemini, 2023]

³[Source: Autonomous driving's future: Convenient and connected – McKinsey, Jan, 2023].

⁴[Source: The future of mobility is at our doorstep – McKinsey Centre for Future Mobility, Dec, 2019]

Amidst an improving but nevertheless demanding landscape, in FY 2023-24, our Company showcased robustness as it navigated a series of challenges with remarkable agility and responsiveness. In the face of strikes by the United Auto Workers (**UAW**) in the US, we displayed adept crisis management, swiftly implementing contingency plans to mitigate production disruptions and maintain operational continuity. Concurrently, as the Red Sea crisis threatened global supply chains, we demonstrated agility, diversifying our sourcing and shipping strategies and forging alternative routes to safeguard against potential logistical bottlenecks. Indian electric two-wheeler market remained volatile due to uncertainty in the FAME subsidy policy. However, we maintained a steadfast approach to winning new programs and clients rather than focussing on short-term disruptions.

Through resilience, adaptability, and strategic acumen, we weathered the storms of 2023 and are aiming for sustained growth and success amidst the ever-evolving automotive landscape.

Outlook

FY 2023-24 witnessed considerable growth, with an upward trend in the electrification process, driven by pent-up demand caused by the pandemic and semiconductor chip shortages in FY 2022-23. India surged ahead of Japan to become the fourth largest auto market for light vehicles. However, this year presented fresh obstacles, with ongoing geopolitical disturbances in Europe and the Middle East region affecting the broader supply chain, escalating interest rates, inflationary pressures, the UAW strikes in the US, and unfavourable geopolitical conditions like the Red Sea crisis.

S&P Global Mobility forecasts global light vehicle sales to reach 88.3 million units in CY 2024 and witness a modest 2.8% growth over the previous year. The auto industry continues

to face stickier interest rates, affordability squeeze, lofty new vehicle prices, patchy consumer confidence, energy price/supply concerns, and the growing pains of electrification even as the supply chain eases.

Over the course of time, we have diversified our product portfolio to align with the growing electrification trend in the automotive industry. Additionally, we have broadened our scope to encompass intelligent and connected mobility solutions, particularly within the Motor, and Sensors and Software segments. Strengthening our R&D capabilities, we have assembled a proficient team equipped with specialised knowledge in these strategic domains. We serve large-scale global OEMs and Tier-1 customers and boast a rich track record of delivering high-quality automotive systems and components for EVs and conventional powertrains.

Our growth strategy hinges on our four strategic priorities: electrification, global market significance, diversification, and technology. For the electric vehicle sector, CY 2023 saw a decrease in battery materials costs, with ambitious OEMs and suppliers turning their focus to electric vehicles as well as components. Electrification is set to gain further traction with an increase in affordable EVs, reliable vehicle-charging ecosystems, and more economic and efficient battery systems. We are in an advantageous position to capitalise on this megatrend. Moreover, the rising autonomy in vehicles necessitates diverse sensor types and perception software. Along with digitalisation and connectivity, these developments promise customers a sustainable, cleaner, safer, and more personalised vehicle experience.

Overall, we are confident that we are well-placed to meet the challenges ahead and continue to generate sustainable long-term growth for our diverse stakeholders in the E.P.I.C. journey to future mobility.

FINANCIAL OVERVIEW

Consolidated Income Statement Summary

Particulars (in INR million)	FY 2023-24	FY 2022-23	y-o-y change (%)
Net Revenue from Operations ¹	31,848	26,756	19%
Total Expenditure	25,287	21,747	15%
EBITDA	9,021	6,958	30%
Other Income	239	116	106%
Finance Cost	258	169	53%
Depreciation	2,202	1,780	24%
PBT before exceptional expenses/income	6,800	5,125	33%
PBT	6,713	5,091	32%
Tax	1,535	1,138	35%
PAT	5,173	3,953	31%
EPS (Diluted)	8.83	6.75	31%

¹ Includes Foreign Exchange Gain (net)

Revenue from Operations

The consolidated revenue in FY 2023-24 grew by 19% over FY 2022-23. The BEV revenue registered a growth of 32%, whereas the non-BEV revenue grew by 15% on a year-on-year basis while light vehicle sales in our top three markets (North America, India, and Europe) grew by only 9%.

Expenditure

The total expenditure registered a y-o-y increase of 16% at INR 25,287 million in FY 2023-24, compared to INR 21,747 million during FY 2022-23.

Expenditure breakup (in INR million)	FY 2023-24	% of Total income	FY 2022-23	% of Total income	y-o-y change (%)
Material Cost ¹	13,742	43%	12,200	45%	13%
Employee Cost	2,501	8%	1,804	7%	39%
Finance Cost	258	1%	169	1%	53%
Depreciation and Ammortisation	2,202	7%	1,780	7%	24%
Other Expenses	6,584	21%	5,795	22%	14%
Total Expenses	25,287	80%	21,747	81%	16%

¹Material cost includes the cost of materials consumed and changes in inventories of finished goods and work-in-progress

Material cost

The cost of materials consumed primarily includes the cost of raw materials, such as special steel alloy bars, iron castings, steel blanks and bolts for the manufacturing of differential gears, differential assemblies, steel forgings, copper enamelled wires, machined aluminium pressure die castings, bearings, magnets, plastic moulded components and other proprietary parts for manufacturing starter motors and BLDC motors. Material cost accounted for 43% and 45% of the total income for FY 2023-24 and FY 2022-23, respectively. Material cost decreased as a percent of total income primarily due to a favourable product mix.

Employee benefit expenses

Employee benefit expenses primarily include salaries, wages, bonus paid to employees and employee welfare expenses. This increased by 39% to INR 2,501 million in FY 2023-24 from INR 1,804 million the previous year, due to the increase in the number of employees to support increased scale of operations, additional cost for new ESOP scheme, increments to employee salaries, and additional cost from consolidation of the NOVELIC business.

Finance costs

Finance costs increased by 53% to INR 258 million in FY 2023-24 from INR 169 million in FY 2022-23. The increase is primarily due to the increase in average borrowing.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 24% to INR 2,202 million in FY 2023-24 from INR 1,780 million in FY 2022-23. Increase in depreciation was on account of addition of property plant and equipment, primarily for increasing production capacity of differential gears and differential assemblies.

Other expenses

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

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

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

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

Other expenses decreased to 21% of total income in FY 2023-24 from 22% of total income in FY 2022-23. This decrease was primarily due to favourable product mix, operational efficiency gains, and lower input cost.

Exceptional items

Exceptional item of INR 87 million during FY 2023-24 and INR 34 million during FY 2022-23 represents expense incurred for diligence work for acquisition.

Tax expense

Our tax expense was INR 1,535 million (ETR 22.9%) in FY 2023-24 compared to INR 1,138 million (ETR 22.3%) in FY 2022-23. Effective tax rate in FY 2022-23 was lower primarily because of certain one-time impact.

EBITDA, PBT and PAT

As a result, EBITDA for FY 2023-24 increased to INR 9,021 million from INR 6,958 million in FY 2022-23, and PBT for FY 2023-24 increased to INR 6,713 million from INR 5,091 million in FY 2022-23. PAT for FY 2023-24 increased to INR 5,173 million from INR 3,953 million in FY 2022-23.

The table below reflects the cash and debt position of the Company

Description – Borrowings (INR million)	(INR in million)	
	As on Mar 2024	As on Mar 2023
Long-term Borrowing	292	487
Short-term Borrowing	2,039	1,688
Total Debt	2,331	2,175
Cash & Cash Equivalent and Other Bank Balances	2,742	698
Current Investment	316	2,281
Net Debt	(727)	(804)

Key financial ratios

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

Key Financial Ratios	(INR in million)	
	FY 2023-24	FY 2022-23
EBITDA Margin (%)	28.3%	26.0%
PAT Margin (%)	16.3%	14.8%
Net Debt to Equity ¹	(0.03)	(0.04)
Net Debt to EBITDA ¹	(0.08)	(0.12)
Return on Equity (%)	28.5%	26.6%
Return on Capital Employed (%)	31.0%	30.4%
Working Capital Turnover	4.6	4.2
Current Ratio	2.1	2.4

¹ Net Debt to Equity and Net Debt to EBITDA ratios were impacted primarily due to the increase in Equity and EBITDA.

Basis of calculation of the ratios:

- Net Debt to Equity is calculated as short-term & long-term debt less cash, bank balances & mutual fund investments/Equity
- Net Debt to EBITDA is calculated as short-term and long-term debt less cash & bank balances & mutual fund investments/EBITDA
- ROE (%) is calculated as PAT/(Average tangible net worth plus capital deployed for acquiring NOVELIC)
- ROCE (%) is calculated as EBIT/(Average tangible net worth plus capital deployed for acquiring NOVELIC)
- Working Capital Turnover is calculated as Revenue/Average net working capital
- Current Ratio is calculated as Current Asset/Current Liabilities

Sustainability

Sona Comstar is deeply committed to sustainable practices, corporate governance, and social responsibility. We began publishing the Business Sustainability and Responsibility Report (BRSR) in our Annual Report a year ahead of the mandatory requirement. Similarly, we voluntarily publish Sustainability Reports as well, and published our second Sustainability Report in FY 2023-24. In the area of ESG, we have taken several ambitious targets covering energy management, emission management, water management, waste management, employee health and safety, women empowerment, community development, and governance commitments. The Company was categorised as low risk with a score of 14.3 in Sustainalytics ESG Risk Rating (Core), which means we stood among the top 9% of the total 16,421 companies globally as of 31st March 2024.

Environmental stewardship

One of our primary environmental focus is developing better products for electric mobility. We aim to achieve 45% of revenue from EV-focused products by CY 2026. Besides this, we have been constantly working on reducing our energy consumption, emissions, water consumption, and waste. During FY 2022-23, we made an improvement of 10% in emissions intensity and 2% in water intensity over the previous year. During FY 2023-24, we made a significant improvement in water intensity by 13%, whereas we maintained the emissions intensity at the same levels as before. We also announced a significant step towards using renewable energy for our operations by investing in a captive solar power plant under Open Access Mechanism and executed a definitive agreement with CleanMax for setting up captive power generating facility in Maharashtra, with a solar capacity of 4.00 MWp for our Chakan plant and Haryana, with a solar capacity of 14.85 MWp for our Gurugram and Manesar plants. We are also in the process of finalising the documents for setting up 2.5 MWp captive power generating facility for our Chennai plant.

Social impact

Our people are at the centre of our achievements. To provide them with suitable opportunities and ensure the realisation of their maximum potential, we have cultivated a healthy and secure work environment. As a result, we were recertified as a 'Great Place to Work' in January 2024, with an improved score over the previous year.

We ensure a mix of workforce from all genders, age groups, regions, and opinions. As of the end of FY 2023-24, we had 4,674 employees, 6% of them were women. With diligent efforts to secure gender balance among our employees both in the office and in key management positions, we were able to double this gender diversity ratio from the previous year. We continuously upskill our employees through training and development programs, as continuous learning not only enhances employee productivity but also nurtures a thriving company culture.

Besides our employees, we also try to promote social well-being through our CSR programs. Through our partnership with FITT, IIT Delhi, so far, we have supported nine startups in order to promote innovation in the area of mobility. Similarly, in partnership with CIIE, IIM Ahmedabad, we have, so far, supported three startups working on innovative technologies. Besides these, we are supporting women's education through a scholarship program with Ashoka University, working on establishing a skill development centre in partnership with Tata Strive and setting up digital literacy centres in association with Youthreach, and supporting various schools in Tamil Nadu by providing improved infrastructure to students. Our CSR programs have been assessed in the platinum category by an independent impact assessment agency. During the year, the Company was also conferred with CII-ITC Sustainability Award 2023 – Commendation for significant achievement in CSR.

Governance excellence

We are committed to upholding the highest standards of corporate governance and ethical values as we believe that strong governance is the foundation of a sustainable and resilient organisation. We always try to go beyond compliance. During the year, our efforts in governance excellence were recognised with the prestigious 'Golden Peacock Award for Excellence in Corporate Governance-2023'.

Cautionary statement

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

Board's Report

Dear Members,

The Board of Directors takes pleasure in presenting the Twenty-Eighth (28th) Annual Report of Sona BLW Precision Forgings Limited (**Company** or **Sona Comstar**) along with the audited Financial Statements (Standalone and Consolidated) for the Financial Year ended on 31st March 2024.

1. FINANCIAL HIGHLIGHTS & PERFORMANCE

The financial performance of the Company (Standalone and Consolidated) for the Financial Year ended 31st March 2024 is as under:

	Standalone		Consolidated	
	2023-2024	2022-2023	2023-2024	2022-2023
Revenue from Operations	28,931.09	24,686.24	31,847.82	26,755.95
Other Income	401.71	430.74	239.48	115.88
Total Income	29,332.80	25,116.98	32,087.30	26,871.83
Total expenses	22,953.52	20,137.10	25,287.08	21,747.09
Profit before exceptional items and tax	6,379.28	4,979.88	6,800.21	5,124.74
Less: Exceptional Items	87.16	33.69	87.16	33.69
Profit before tax	6,292.12	4,946.19	6,713.05	5,091.05
Less: Total Tax Expenses	1,447.32	1,065.29	1,535.30	1,138.08
Profit for the period/year	4,844.80	3,880.90	5,177.75	3,952.97
Other comprehensive (loss)/ income for the period/ year	-8.55	14.47	27.92	74.82
Total comprehensive income for the period/year	4,836.25	3,895.37	5,205.67	4,027.79
Earnings per share (Basic) (in INR)	8.27	6.64	8.83	6.76
Earnings per share (Diluted) (in INR)	8.27	6.63	8.83	6.75

Standalone

The standalone revenue (revenue from operations plus foreign exchange (net)) increased by 17.2% to INR 28,931.09 million for Financial Year 2024 from INR 24,686.24 million for Financial Year 2023, driven by ramp-up of sales volume for some of the new contracts especially in the electric vehicle (**EV**) segment in North American and European market and growth in sales in the Indian passenger and commercial vehicle market. Profit before exceptional items and tax in Financial Year 2024 was INR 6,379.28 million as compared to INR 4,979.88 million in Financial Year 2023, reflecting an increase of 28.1% from the previous year. Profit after tax (PAT) in the Financial Year 2024 was INR 4,844.80 million as compared to INR 3,880.90 million in Financial Year 2023, reflecting an increase of 24.8% from the previous year.

Consolidated

The consolidated revenue (revenue from operations plus foreign exchange (net)) increased by 19.0% to INR 31,847.82 million for Financial Year 2024 from INR 26,755.95 million for Financial Year 2023, primarily driven by the start and ramp-up of sales volume for some of the new contracts especially in the EV segment in North American and European market and growth in sales in the Indian passenger and commercial vehicle market. Profit before exceptional items and tax in Financial Year 2024 was INR 6,800.21 million as compared to INR 5,124.74 million in Financial Year 2023, reflecting an increase of 32.7% from the previous

year. Profit after tax (PAT) in the Financial Year 2024 was INR 5,177.75 million as compared to INR 3,952.97 million in Financial Year 2023, reflecting an increase of 31.0% from the previous year.

2. PERFORMANCE OF THE COMPANY AND INDUSTRY OVERVIEW

In Fiscal Year 2024, your Company continued its growth momentum by scaling new revenue and profitability benchmarks. Its consolidated revenue, EBITDA and Profits (before tax and exceptional items) were INR 31,847.82 million, INR 9,020.97 million and INR 6,800.21 million, respectively. The EV business that witnessed revenue growth of 32% over the prior year led the overall revenue growth. One of the key contributors to the EV business growth was the ramp-up and start of various new programmes. Non-EV business also achieved 15% revenue growth.

This performance was achieved against the headwinds of high inflation, geopolitical issues, rising interest rates and widespread strikes in US automotive factories in the global markets, and lower electric two-wheeler production due to vehicle homologation for new battery standards, pricing fallout and lower demand for a few electric two-wheelers OEMs after FAME II subsidy reductions in the domestic market. Global light vehicle production during the Fiscal 2024 recovered notably from the easing of supply chain-related challenges and the growing accessibility of battery electric vehicles (**BEVs**).

Although the industry continued to witness some major headwinds in various aspects, such as geopolitical, government policies and regulations, and inflationary trends in raw materials, your Company did not experience any interruption in the ability to supply systems and components and ensured that customers did not experience any disruption to their production lines. Apart from maintaining the revenue growth momentum during the year, your Company continued to drive business development and won 39 new programmes during the Fiscal 2024, of which 12 were for EV Programs. As of 31st March 2024, your Company has 54 EV programs, out of which 27 EV programs are under serial production or in a ramp-up phase, and 27 programs will undergo serial production in the Fiscal 2025 or later, depending upon customers' production schedules. With these new order wins, your Company's 10-year net order book stands at INR 226 billion.

The future of mobility is shifting towards higher and higher levels of automation, making vehicles more and more intelligent. As per findings from a Capgemini analysis, the ADAS sensor market is projected to reach a value of USD 75 billion by the calendar year 2030. Additionally, a report from McKinsey indicates that the combined sectors of ADAS and AD are anticipated to contribute between \$300 billion and \$400 billion to the passenger car market by the year 2035. During the year under review, the Company has completed the acquisition of NOVELIC and added a new business vertical of Sensors and Softwares.

With this acquisition, your Company expanded our technology landscape and modified our vision statement to replace the word 'auto technology' with 'mobility technology' to include all forms of future mobility. Aligning with the updated vision, it revamped its technology roadmap for the E.P.I.C. mobility (electric, personalised, intelligent and connected). In this new roadmap, we added eight new products in the future products category and we already won a programme for one of these – an integrated motor controller – during the year itself.

Continuing our focus on ESG, we published our second sustainability report this year and set targets for many sustainable development goals. One of the most important targets is to achieve a 45% revenue share from electric vehicles by 2026. We improved the emissions intensity (Scope 1 and 2) by more than 10% in relation to the revenue, compared to previous year. Moreover, the company has been rated (core) as low ESG risk with a score of 14.4 and it is ranked in the top 9% companies rated by Sustainalytics (as on date of publishing this report).

This was an eventful year for your Company. We participated in the Bharat Mobility Global Expo 2024, where we showcased our entire technology portfolio, including the recently added sensor products, which were well-liked by our customers. Even on the employee satisfaction front, once again we earned the Certification for Great Place To Work from the Great

Place to Work[®] Institute. The coveted recognition reinforces your Company's standing as one of India's leading automotive technology employers. On the Corporate Governance, the company received the prestigious Golden Peacock Award for Excellence in Corporate Governance in 2023. This award is a testament to the Company's exemplary governance practices which have consistently contributed to the Company's sustainable growth, financial success, and reputation as a responsible corporate entity.

For the future outlook, S&P Global Mobility forecasts global light vehicle sales to reach 88.3 million units in the calendar year 2024 and witness a 2.8% growth over the previous year. The auto industry continues to navigate stickier interest rates, improving supply chains, the affordability squeeze, lofty new vehicle prices, patchy consumer confidence, energy price/supply concerns, and ongoing electrification growing pains.

3. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report for the Financial Year 2023-24, pursuant to the provisions of Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), and is attached as a separate statement forming part of this Annual Report.

4. ACQUISITIONS, INVESTMENTS AND OTHER CORPORATE DEVELOPMENTS

Certification under Production-Linked Incentive (PLI) Scheme

Your Company has received certifications for its 2 (two) hub wheel motors for electric two-wheelers under the Product Linked Incentive (**PLI**) Scheme for Automobile and Auto Component Industry in India from the Ministry of Heavy Industries, for availing the benefits/incentive under PLI Scheme.

Collaboration with Equipmake

Your Company has signed a technology licensing agreement (**Agreement**) with Equipmake, a UK-based technology company that has developed high-performance electric powertrains. Under the Agreement, Equipmake will license certain patented spoke motor and inverter technology in the power range of 100kW to 440kW to Sona Comstar to manufacture and sell EV Powertrains, subsystems, and components for electric cars, buses, commercial vehicles and off-road vehicles.

Incorporation of Wholly Owned Subsidiary in Mexico

During the Financial Year 2023-24, your Company has incorporated a wholly owned subsidiary "Sona BLW eDrive Mexicana, S.A.P.I. DE C.V." in Silao Mexico, mainly for manufacturing and assembly of bevel gears, differential assemblies and/or any other activities ancillary and incidental thereto. The Plant has been

inaugurated on 20th April 2024. This strategic expansion underscores the Company's commitment to meeting the growing demand for high-quality driveline solutions for battery electric vehicles (BEVs) in North America.

Acquisition of 54% stake in NOVELIC d.o.o. Beograd – Zvezdara, in Serbia (NOVELIC)

During the Financial Year 2023-24, your Company has completed the acquisition of 54% share capital and voting rights in NOVELIC on 04th September 2023, through acquisition 51% of its share capital and voting rights from the existing shareholders and 3% of the share capital and voting rights by way of fresh issuance of Capital, as per the terms of the definitive documents executed in this regard.

NOVELIC is the world's leading self-sustaining provider of mmWave radar sensors, perception solutions, and full-stack embedded systems. Since past ten years of market presence, NOVELIC has built an extensive portfolio of mmWave radar sensors and perception solutions that enable off-the-shelf and customised products focused on autonomous driving and automation. NOVELIC also does full cycle development of electronics and software services based on its hardware-in-loop (**HIL**) systems, control systems, ECU hardware/software platform, annotation tools and other in-house platforms.

Investment in Captive solar power plant for setting up captive power generating facility in Haryana, Maharashtra and Chennai

The Board of your Company in its meeting held on 25th October 2023, has approved the investment in special purpose vehicle (**SPVs**) for setting up captive power generating facility in the state of Haryana and Maharashtra, for solar capacity of 14.85 MWp and 4.00 MWp respectively. The Company will invest total INR 75 million in SPV for Haryana and Maharashtra. The SPV will be funded partly by equity and partly by debt capital. The Company will hold 26% in the form of the equity share capital of the SPVs and remaining 74% of the equity share capital will be held by the Clean Max Enviro Energy Solutions Private Limited (**CleanMax**), through its group companies.

In this regard, your Company has acquired 26% of equity shares of CleanMax Calypso Private Limited, for setting up captive power generating facility in the state of Haryana, for solar capacity of 14.85 MWp for its operations Gurgaon and Manesar, Haryana, on 25th January 2024. Further, your Company has executed definitive documents with CleanMax for investment of 26% equity share of CleanMax Nova Private Limited for setting up captive power generating facility in the state of Maharashtra, for solar capacity of 4.00 MWp for its operations at Chakan Plant, Pune, Maharashtra.

The Board your Company in its meeting held on 30th April 2024 has approved the investment of INR 8.30 million into a special purpose vehicle (**SPV**), in terms of the Electricity Act, 2003 and Rule and

Regulations issued thereunder, proposed to be incorporated by Cleantech (**Cleantech**), as developer, for the purpose of setting up a group captive solar power project for the Chennai facility of the Company. Once incorporated, the SPV will be funded partly by equity and partly by debt capital. The Company will be 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 Cleantech. The Company is engaged into discussions with Cleantech to negotiate and finalise the documents for this purpose.

These investments in SPVs are made by the Company to meet the regulatory requirements of group captive.

5. SUBSIDIARIES AND ASSOCIATES

As on 31st March 2024, the Company has 6 (six) directly held subsidiaries, 8(eight) step-down subsidiaries and 1 (one) associate company, the details of which is available on the website of the Company in Form MGT-7 at <https://sonacomstar.com/investor/annual-reports-and-returns>

During the year under review, 5(five) bodies corporate became subsidiaries of the Company, which includes 3 (three) step-down subsidiaries.

Pursuant to Section 129(3) of the Companies Act, 2013 (**Act**), the Company has prepared the consolidated financial statements, which forms part of this Annual Report. Further, a separate statement containing salient features of Financial Statements of all subsidiaries in Form AOC-1 forms part of this Report.

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

Your Company does not have any material subsidiary as on 31st March 2024.

The policy for determining material subsidiaries, as approved by the Board, is uploaded on the Company's website and can be accessed at the web-link: <https://sonacomstar.com/files/policy/policy-for-determining-material-subsiadiaries-policy-f3dEtf.pdf>

6. TRANSFER TO RESERVES

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

7. DIVIDEND

The Board of Directors at their meeting held on 30th April 2024 have recommended payment of INR 1.53 (One Indian rupee and fifty-three paise only) per equity share of Company having face value of INR 10 (Indian rupees ten only) each as final dividend for the Financial Year ended on 31st March 2024. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.



During the year under review, the Board of Directors of the Company at their meeting held on 23rd January 2024 has declared an interim dividend of INR 1.53 (One Indian rupee fifty-three paise only) per equity share of the Company having face value of INR 10 (Indian rupees ten only) each. The interim dividend was paid to the shareholders on 15th February 2024.

The tabular representation of the dividend declared during the Financial Year under review is as follows:

Dividend	For the Financial Year ended 31 st March 2024	For the Financial Year ended 31 st March 2023
Equity share	Dividend per share (in INR)	Dividend per share (in INR)
Interim dividend	1.53	1.28
Final dividend	1.53	0.77
Total dividend	3.06	2.05

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source, as applicable.

The abovesaid dividend declared is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Listing Regulations, can be accessed on the website of the Company at <https://sonacomstar.com/files/policy/dividend-distribution-policy-policy-oW38wX.pdf>

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

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

9. CHANGE IN SHARE CAPITAL OF THE COMPANY

Till the date of this report and during the Financial Year 2023-24, your Company has allotted 1,055,964 (One million fifty five thousand nine hundred sixty four only) equity shares of the Company having face value of INR 10/- (Indian rupees ten only) each fully paid up, to the eligible employees of the Company upon exercise of vested options, as granted to them, under the Sona BLW Precision Forgings Limited-Employee Stock Option Scheme 2020 (ESOP Scheme-2020).

As a result, the paid-up share capital of the Company increased from INR 5,854,045,820 (Indian rupees five billion eight hundred fifty-four million forty-five thousand eight hundred twenty only) consisting of 585,404,582 (Five hundred eighty-five million four hundred four thousand five hundred eighty two only) equity shares having face value of INR10/- (Indian rupees ten only) each fully paid-up to INR 5,864,605,460 (Indian rupees five billion eight

hundred sixty-four million six hundred five thousand four hundred sixty only) consisting of 586,460,546 (Five hundred eighty-six million four hundred sixty thousand five hundred forty six only) equity shares having face value of INR 10/- each fully paid-up. The Equity Shares issued under ESOP Scheme-2020 shall rank *pari-passu* with the existing equity shares of the Company including dividend entitlement.

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

10. CHANGE IN NATURE OF BUSINESS

During the Financial Year 2023-24, there was no change in the nature of Company's business.

11. CORPORATE GOVERNANCE

Your Company is continuing to benchmark itself with the best practices and national and international standards of Corporate Governance. The Company's corporate governance practices reflect its value system which encompasses its culture and relationships with its stakeholders.

Your Company was bestowed with the '**Golden Peacock Award for Excellence in Corporate Governance-2023**' at National Level by Institute of Directors.

Further, your Company was assessed on the Corporate Governance Scorecard 2023, by Institutional Investor Advisory Services India Limited (IIAS) with a Governance Score 64, Governance Grade **Good** with overall rank of 33 amongst S&P BSE 200/Nifty 200 Companies.

The Company is committed to pursue and adhere to the highest standard of Corporate Governance as set out by the Securities and Exchange Board of India (SEBI) and the Act.

The report on the Corporate Governance as stipulated in Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure-A** and form part to this Annual Report.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board Diversity

Your Company recognises the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. 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 believes that a diverse Board 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 Policy to Promote Diversity on the Board of Directors (**Diversity Policy**) adopted by the Board, in compliance with Regulation 19(4) read with Part D of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**Listing Regulations**), sets out its approach to diversity.

The Diversity Policy is available on the website of the Company at <https://sonacomstar.com/files/policy/policy-on-board-diversity-policy-sKCWRQ.pdf>

Board of Directors

As on 31st March 2024, the Board comprises of 8 (eight) directors, including 5 (five) independent directors (including 2 (two) women independent directors), 1 (one) executive director, and 2 (two) non-executive directors. The brief profile of each director is available on the website of the Company at <https://sonacomstar.com/board-of-directors>

In the opinion of the Board, all Independent Directors (including those appointed during the year) possess requisite qualifications, experience, expertise, proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iii)(a) of the Companies (Accounts) Rules, 2014. In terms of the requirements under the SEBI Listing Regulations, the Board has identified key skills, expertise and core competencies required for appointment of director on the Board, including the Independent Directors, details of which are provided as part of the Corporate Governance Report.

The list of key skills, expertise and core competencies of the Board of Directors is provided in the Report on Corporate Governance forming the part of this Board's Report.

Appointment of Mrs. Manisha Girotra (DIN: 00774574) as Independent Director of the Company

The shareholders vide postal ballot, concluded on 01st March 2024, approved appointment of

Mrs. Manisha Girotra (DIN: 00774574), as Independent Director of the Company w.e.f. 01st January 2024 for a period of 5 (five) consecutive years.

Retirement of Mr. Ganesh Mani (DIN:08385423), Non-Executive Director of the Company

During the year under review, Mr. Ganesh Mani (DIN: 08385423), Non-Executive and Nominee Director of the Company retired from the directorship of the Company w.e.f. 19th July 2023, who was liable to retire by rotation at the 27th Annual General Meeting. Mr. Mani had expressed his unwillingness for being re-appointed at the 27th Annual General Meeting.

The Board of Directors of the Company expressed its gratitude for the guidance and support provided by Mr. Ganesh Mani to the deliberation of the Board during his tenure as director of the Company.

Retirement of Mr. BVR Subbu (DIN:00289721), Independent Director of the Company

Mr. BVR Subbu (DIN:00289721), Independent Director of the Company will be completing his first term of appointment on 4th July 2024. Mr. Subbu has expressed his unwillingness for being considered for re-appointment for the second term.

The Board of Directors of the Company in its meeting held on 30th April 2024 expressed their gratitude for the guidance and support provided by Mr. Subbu to the deliberation of the Board during his tenure as an Independent Director of the Company.

Key Managerial Personnel

As on 31st March 2024, the Key Managerial Personnel (KMP) of the Company as per Section 2(51) and Section 203 of the Act are as follows:

Name of the KMP	Designation
Mr. Vivek Vikram Singh	Managing Director and Group Chief Executive Officer
Mr. Rohit Nanda	Group Chief Financial Officer
Mr. Ajay Pratap Singh	Group General Counsel, Company Secretary and Compliance Officer

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

13. DECLARATION BY INDEPENDENT DIRECTORS

Your Company has, *inter-alia*, received requisite declarations from all the Independent Directors confirming that they:

- meet the criteria of independence as prescribed under the Section 149(6) of the Companies Act, 2013 (**Act**) read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.



- have complied with the Code of Conduct for Board of Directors and Senior Management Personnel (**Code**) of the Company for the Financial Year 2023-24.

The Board of Directors of the Company have taken on record the declarations and confirmations submitted by the Independent Directors.

None of the directors of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) or are debarred or disqualified by SEBI, Ministry of Corporate Affairs (**MCA**) or any other such statutory authority.

The Company has received 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 Annual Report.

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

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

The Managing Director and Group CEO of the Company has not received any remuneration or commission from any of the subsidiary companies. Further, the Company does not have any holding company.

Singapore VII Topco III Pte. Ltd. (**Singapore Topco**), the *erstwhile* holding company/majority shareholder (and promoter) of the Company had adopted an exit return incentive plan (**ERI Plan**) pursuant to which Singapore Topco has rewarded certain identified employees of the Company and/or its subsidiaries (including each of Key Managerial Personnel and Executive Director(s) who are not promoters or promoter group of the Company) with cash rewards based on certain disposition event(s) in relation to its interest in the Company. These cash rewards were paid/will be paid to such employees entirely by Singapore Topco (without any recourse or liability to the Company).

None of the promoters, nominee director of the Company, having significant influence, is beneficiary of the ERI Plan. The Board of Directors and Shareholders of the Company had approved the ERI Plan, in their respective meeting held on 06th August 2021 and 09th September 2021 in compliance

with regulation 26(6) of the Listing Regulations. Accordingly, Singapore Topco paid part of cash rewards to the identified employees (including the Managing Director and Group CEO) of the Company.

The Remuneration Policy of the Company is available on the website of the Company at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-DqCLrU.pdf>

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

The percentage increase in remuneration, ratio of remuneration of each director and key managerial personnel (**KMP**) to the median of employees remuneration, as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in a separate **Annexure-C1**, forming part of this Annual Report.

The statement containing names of top ten (10) employees in terms of remuneration drawn and the particulars of employees as required under section 197(12) of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure- C2**, forming part of this Annual Report.

16. BOARD EVALUATION

Your Company believes that the process of performance evaluation at the Board level is crucial for 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.

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.

A structured questionnaire covering various aspects of the Board's functioning was circulated to individual directors, Committees, and the Board which was followed by feedback received through one-to-one interactions by the Chairperson of the NRC Committee and Chairperson of the Board with the directors being evaluated and suggestions for the further improvements based on feedback were received from other directors.

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

Evaluation of Committees

The performance 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 Board

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

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairperson of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors. 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, *inter-alia*, various criteria such as qualification and experience, fulfilment of functions as assigned, attendance at Board and Committee meeting, contribution to strategy and other areas impacting Company's performance, availability and attendance etc.

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

The performance evaluation of Independent Directors was based on various criteria, *inter alia*, including 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.

Criteria for Chairman

The performance 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.

Evaluation of Independent Directors

The performance evaluation of Independent Directors was carried out by the Board of Directors based on various criteria, *inter-alia*, including attendance at Board

and committee meetings, qualification, experience, ability to function as a team, commitment, roles performed and understanding of industry.

The feedback and results of the Board Evaluation process conducted for the Financial Year 2023-24, have been mentioned in detailed in the Corporate Governance Report.

17. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Independent Directors of the Company are familiarised with the operations and functioning of the Company at the time of their appointment followed by a management presentation and on an ongoing basis. The details of such training and familiarisation program conducted during the period under review, are provided in the Corporate Governance Report and is also available on the website of the Company at <https://sonacomstar.com/files/policy/familiarisation-programme-policy-OzjWbw.pdf>.

Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The draft format of the letter of appointment is available on our website, at <https://sonacomstar.com/investor/appointment-re-appointment-of-independent-directors>.

18. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Directors of the Company state that:

- in the preparation of the annual accounts for the Financial Year ended on 31st March 2024, the applicable accounting standards were followed, and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2024 and of the profits of the Company for the Financial Year ended at 31st March 2024;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- the annual accounts for the Financial Year ended on 31st March 2024, have been prepared on a going concern basis;
- proper internal financial controls have been laid down by the Directors were followed and that such internal financial controls are adequate and operating effectively; and

- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

19. DISCLOSURE ON COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AS PER SECTION 178 OF THE ACT

The remuneration policy for directors, key managerial personnel, senior management personnel and other employees (**NRC Policy**) of the Company was adopted by the Board based on the recommendation of the Nomination & Remuneration Committee (**NRC**). The NRC Policy sets out detailed procedure of appointment along with the criteria to pay equitable remuneration to the directors, Key Managerial Personnel (**KMP**), Senior Management Personnel (**SMP**) and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

While formulating NRC Policy relating to the remuneration of the directors, key managerial personnel and other employee, the Board has ensured that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration of the directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The salient features of the NRC Policy of the Company are as follows:

- The NRC shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMPs and SMPs accordingly recommend to the Board his/her appointment to the Board;
- The NRC shall consider qualifications and appointment for Independent Directors as per the provisions of the Act.
- The Company shall ensure that the person appointed as Director/Independent Director are not disqualified under the Act and rules made thereunder.
- The Director/ Independent Director/KMP/SMP shall be appointed as per the procedure laid down under the provisions of the Act, and rules made there under and the SEBI Listing Regulations, or any other enactment for the time being in force.

- The term/ tenure of the Directors shall be governed as per provisions of the Act and the Rules made there under, as amended, from time to time.
- In case of re-appointment of Director(s), the Board shall take into consideration, the performance evaluation of director, engagement of the director and contribution in the deliberations of the Board.

This NRC Policy is available on the website of the Company at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-DqCLrU.pdf>.

20. EMPLOYEE STOCK OPTIONS SCHEMES

a. Sona BLW Precision Forgings Limited-Employee Stock Option Scheme-2020

In terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended, from time to time, the Nomination and Remuneration Committee of your Board of Directors administer and monitor "Sona BLW Precision Forgings Limited-Employee Stock Option Scheme-2020" (**ESOP Scheme-2020**) of your Company.

The Nomination and Remuneration Committee has been designated as the Compensation Committee under the ESOP Scheme-2020. During the period under review, a total of 1,055,964 (One million fifty-five thousand nine hundred sixty four only) equity shares of the Company having face value of INR 10 /- (Indian rupees ten only) each fully paid up were allotted pursuant to exercise of options by the employees of the Company under the ESOP Scheme-2020. The last and final vesting under the ESOP Scheme-2020 occurred on 01st October 2023.

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

b. Sona BLW Precision Forgings Limited-Sona Employee Stock Option Plan-2023

During the Financial Year, the shareholders of the Company have approved the ESOP-2023 in their 27th Annual General Meeting held on 19th July 2023 and have authorised Nomination & Remuneration Committee (**NRC**) of the Board of the Company for administration, implementation and grant of ESOPs under the ESOP- 2023.

The NRC has granted 6,926,600 (Six million nine hundred twenty six thousand six hundred) Stock Options to the Eligible Employees of the Company and its subsidiaries as per the terms of the ESOP-2023 and the Exercise Price of the Employee Stock Options was the Fair Market value as on Grant Date.

The required disclosures under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**SEBI SBEB Regulations**) with regard to the **ESOP Scheme-2020 and ESOP-2023** are available

on the Company's website at <https://sonacomstar.com/investor/annual-reports-and-returns>

The Company has received a certificate from M/s. PI & Associates, Secretarial Auditors of the Company as required under Regulation 13 of the SEBI (SBEB) Regulation and it confirms that both the Schemes, ESOP Scheme-2020 and ESOP- 2023, have been implemented in accordance with these Regulations. The Certificate is available for inspection during the AGM of the Company.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE ACT

Pursuant to Section 186 of the Act, disclosure on particulars relating to loans, advances, guarantees and investments form part of the standalone financial statements provided in Note 42 to the standalone financial statements of the Company.

22. DIVIDEND DISTRIBUTION POLICY

The Company has formulated and published a Dividend Distribution Policy which provides for the parameters to be considered for declaring/recommending dividend, circumstances under which the shareholders may or may not expect dividend. The policy is available on the website of the Company at <https://sonacomstar.com/files/policy/dividend-distribution-policy-policy-oW38wX.pdf>

23. SUCCESSION PLANNING

The Company believes that succession planning for the Board members and Senior Management is very important for creating a robust future for the Company. The Nomination and Remuneration Committee 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 Company has a succession planning policy in place which intends to achieve the following:

- The business of the Company is not affected on account of interruptions caused due to superannuation or voluntary retirement or resignation or death or permanent incapacitation or sudden exit of any member of the Board, Executive Directors, Senior Management and other key employee covered under this Policy;
- To identify and create a talent pool of high potential personnel, who can be considered for appointment at the Board, Executive Directors, Senior Management and other critical positions and to groom them to assume such roles in the Company, whenever the need arises;
- To ensure timely and high-quality replacements for those personnel who are currently holding positions as above said.

The succession planning policy of the Company as approved by the Board of Directors of the Company is available on the website of the Company at <https://sonacomstar.com/files/policy/succession-planning-policy-policy-SYOpD5.pdf>

24. DEPOSITS

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

25. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which the Financial Statements relate and the date of this Annual Report.

26. RELATED PARTY TRANSACTIONS

The Company has in place a robust process for approval of related party transactions and on dealing with related parties.

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

The Board has amended the Policy on Related Party Transactions as required under the Listing Regulations and in accordance with the recommendations of Institutional Investor Advisory Services (**IIAS**), which is available on the website of the Company at <https://sonacomstar.com/files/policy/policy-on-related-party-transactions-policy-AIHM0.pdf>

All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis in terms of provisions of the Act. Further, there are no contracts or arrangements entered into under Section 188(1) of the Act, hence no justification have been separately provided in that regard.

The details of the related party transactions as per Indian Accounting Standards (**IND-AS**) - 24 are set out in Note 36 to the standalone financial statements of the Company.

The Company in terms of regulation 23(9) of the Listing Regulations have disclosed the statement of related party transactions on a consolidated basis for the half year ended on 30th September 2023 and 31st March 2024 to the Stock Exchanges and website



of the Company at <https://sonacomstar.com/investor/financial-information>

During the year under review, there were no transactions for which consent of the Board was required to be taken in terms of Section 188(1) of the Act and accordingly, no disclosure is required in respect of the related party transactions in Form AOC-2 under Section 134(3)(h) of the Act and rules framed thereunder. Further, there were no material related party transactions in terms of the Listing Regulations requiring approval of the members during the year under review.

27. NUMBER OF MEETINGS OF THE BOARD

During the year under review, six (6) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors held and attended by the Board of Directors during the Financial Year 2023-24 are given in the Corporate Governance Report which forms the part of this Annual Report.

The Board of Directors have met quarterly and the gap intervening between meetings was within the time prescribed under the Act and the Listing Regulations.

The details and attendance of meetings of the Board, its committees and Annual General Meeting are mentioned in the Corporate Governance Report, which forms part of this Annual Report.

28. DOWNSTREAM INVESTMENT

During the Financial Year 2023-24, the Company has not made any downstream investment which tantamount to indirect foreign investment. Hence, the requirement of obtaining certificate from the statutory auditors under the extant Foreign Exchange Management (Non-debt Instruments) Rules, 2019 is not applicable.

29. AUDITORS AND AUDIT REPORT

a. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company at its meeting held on 03rd May 2023, on the recommendation made by the Audit Committee, had appointed M/s. PI & Associates (CP no. 16276), as the Secretarial Auditors of the Company to undertake the Secretarial Audit for Financial Year 2023-24.

The Company voluntarily conducted secretarial audit on quarterly basis and report of the secretarial auditors were placed before the Audit Committee and the Board of Directors of the Company on quarterly basis.

The Secretarial Auditors' Report for the Financial Year 2023-24 does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed herewith and forms part of this Annual Report and enclosed as **Annexure-D**.

Further, the Board of Directors of the Company in its meeting held on 30th April 2024, based on the recommendation made by the Audit Committee, have appointed M/s. PI & Associates (CP No. 16276), as the Secretarial Auditors of the Company to undertake the Secretarial Audit for Financial Year 2024-25.

Secretarial Compliance Report

As per the regulation 24A(2) of the Listing Regulations, the Secretarial Auditors of the Company has provided the report on the applicable compliances of the Company for the Financial Year 2023-24. The Annual Secretarial Compliance Report obtained from the Secretarial Auditor of the Company has been submitted to the Stock Exchanges and is available on the website of the Company at <https://sonacomstar.com/investor/annual-reports-and-returns>

b. Statutory Auditors

M/s. Walker Chandio & Co. LLP, Chartered Accountants (FRN No. 001076N/N500013) was re-appointed as Statutory Auditors of the Company for the second term of 5 (five) consecutive years, to hold office from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company in terms of the provisions of Section 139 and 141 of the Act.

The Statutory Auditor's Report on standalone and consolidated financials for Financial Year 2023-24, does not contain any qualification, reservation, adverse remarks or observation and the same forms part of this Annual Report.

c. Cost Auditors

As per the section 148 of the Act and Cost (Records and Audit) Rules 2014, the Company is required to maintain cost audit records and conduct the Cost Audit. Therefore, the Board in its meeting held on 03rd May 2023 based on the recommendation of Audit Committee had appointed of M/s. Jayaram & Associates, as the Cost Auditors of the Company for the Financial Year 2023-24 and the shareholders of the Company had ratified the fees of the cost auditor in 27th Annual General Meeting of the Company held on 19th July 2023.

During the Financial Year, the Cost Auditors of the Company provided the Cost Audit report for the Financial Year 2022-23 in the **Form CRA-3** and the Company has filed the Cost Audit Report with the Ministry of Corporate Affairs in Form CRA-4 within the prescribed time.

The Cost Audit Report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remark.

Further, the Board of Directors of the Company, based on the recommendation of the Audit Committee at its meeting held on 30th April 2024 has appointed M/s. Jayaram & Associates, as the Cost Auditors of the

Company for the Financial Year 2024-25 under section 148 of the Act. M/s. Jayaram & Associates, being eligible, have consented to act as the Cost Auditors of the Company for the Financial Year 2024-25.

The remuneration proposed to be paid to the Cost Auditors for the Financial Year 2024-25, is subject to ratification by the members of the Company at the ensuing 28th AGM, would not exceed INR 275,000 (Indian rupees two hundred seventy five thousand), excluding taxes and out-of-pocket expenses, if any.

d. Internal Auditors

The Board of Directors had in their meeting held on 30th April 2024 have appointed M/s. BDO India LLP (Firm Registration No. MCA: AAB-7880), as Internal Auditors of the Company for the Financial Year 2024-25.

30. INTERNAL CONTROL SYSTEM

The Company has in place internal control system, which is commensurate with its size, scale and complexities of its operations. M/s. BDO India LLP (Firm Registration No. MCA: AAB-7880), was appointed as Internal Auditors of the Company for the Financial Year 2023-24.

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

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board of Directors are periodically apprised of the internal audit findings and corrective actions are taken accordingly. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. For more details, refer to the 'internal control systems and its adequacy' section in Management's Discussion and Analysis Report, which forms part of this Annual Report.

31. REPORTING OF FRAUD

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

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the Financial Year 2023-24, the Company has spent INR 52,911,387 (Indian rupees fifty two million nine hundred eleven thousand three hundred eighty seven only) on the CSR projects. The

amount spent includes the administrative expenses and the amount spent on the conduct of impact assessment, and the remaining unspent amount of INR 14,038,839 (Indian rupees fourteen million thirty-eight thousand eight hundred thirty nine only) was transferred to unspent CSR account of the Company on 16th April 2024, committed for the ongoing CSR projects, as per the applicable provisions of the Act.

For the Financial Year 2023-24, your Company continued to focus on innovation and promoting education through high standard projects in the domains of education and supporting innovative start-ups. This year your Company made special efforts in skill development amongst youth through digital literacy and providing on job trainings in the field of CNC operators, Front Office Administration and banking Financial Service and Insurance. The CSR initiatives of the Company focused under the CSR intervention, amongst others, 'Sona Comstar Samridh Bharat Program' (for promoting education) and 'Sona Comstar Saksham Bharat Program' (promotion of innovation) during the year under review.

The CSR Policy of the Company is available on the website of the Company at <https://sonacomstar.com/investor/corporate-social-responsibilities>.

Your Company has in place a CSR Committee, which functions in accordance with the applicable provisions of the Act and such other matters as prescribed by the Board from time to time. The detailed terms of reference of the CSR Committee, attendance at its meetings and other details have been provided in the Corporate Governance Report.

Your Company's Annual Report on the CSR activities undertaken during the Financial Year ended 31st March 2024, in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (**CSR Rules**) is attached as **Annexure-E** to this Annual Report.

Your Company has engaged M/s. InGovern Research Services Private Limited and Bluesky Sustainable Business LLP, an Independent Agency, on voluntarily basis to conduct the impact assessment of the CSR initiatives undertaken for the Financial Year 2023-24. The impact assessment report is attached as **Annexure L** of this report.

Further, the Group Chief Financial Officer of the Company has certified that CSR spends of the Company for Financial Year 2023-2024 have been utilised for the purpose and in the manner approved by the Board of Directors of the Company.

33. AWARDS AND RECOGNITIONS

We are happy to inform that your Company has received the following recognitions/awards during the Financial Year 2023-24:

S. No.	Award Category	Awarded By
1.	Gold Award in recognition of outstanding performance achieved for FY23	Indian Tier-1 Supplier for CVs.
2.	Supplier Excellence Award for 2022	North-American Tier-1 Supplier for OHVs
3.	Special Support Award in vendor conference 2023	Indian OEM of PVs
4.	Great Place To Work Certificate	Great Place To Work® Institute India
5.	CII – ITC Sustainability Awards 2023-Commendation for Significant Achievement in Corporate Social Responsibility in manufacturing sector	Confederation of Indian Industry (CII)
6.	CSR Times	National CSR Summit & Award
7.	Golden Peacock Award for Excellence in Corporate Governance 2023 at National level	Institute of Directors
8.	2022-23 Vision Award on Annual Report	League of American Communications Professionals LLC (LACP)

34. RISK MANAGEMENT

Pursuant to Section 134(3) (n) of the Act and Regulation 17(9) of Listing Regulations, the Company has formulated and adopted a Risk Management Policy. The primary objectives of the policy include identification and categorisation of potential risks, their assessment, developing a mitigation plan and monitoring these risks. The Board has entrusted the Risk Management Committee (RMC) with overseeing the processes of identification, evaluation, mitigation of risks and assess management actions to mitigate such risks. The Chief Risk Officer periodically presents the risk evaluation and monitoring status to the RMC based on risk evaluation performed by risk owners in the organisation. The Company has designated Mr. Rohit Nanda, Group CFO as the Chief Risk Officer of the Company. The details of the RMC along with its charter are set out in the Corporate Governance Report, forming part of this Annual Report.

The Risk Management Policy of the Company is available on the website of the Company at <https://sonacomstar.com/files/policy/risk-management-policy-policy-NTCFLh.pdf>

The Company also published Enterprise Risk Management (ERM) Framework on its website at <https://sonacomstar.com/files/policy/erm-framework-policy-CZEnft.pdf>

35. VIGIL MECHANISM

Your Company is committed to highest standards of professionalism, honesty, integrity, transparency

and ethical behaviour. Pursuant to the provisions of Section 177(9) & (10) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and the Listing Regulations, the Board of Directors has approved the Policy on Vigil Mechanism/ Whistle Blower and Code of Conduct and Business Ethics which provides mechanism to its directors, employees, vendors, customers, business partners/ associates or any third party and other stakeholders to raise concerns about any wrongdoing in the Company and provide for adequate safeguards against victimisation of employees and other persons who avail this mechanism.

Your Company's Whistle Blower Policy is also applicable to our associates who partner us in our organisational objectives. The Company has taken adequate measures to create awareness amongst its employees on the Code of Conduct and Governance Policies through regular learning sessions.

The Company has also designated an email id that is speakup.sbpl@sonacomstar.com where the whistle blower can report the concerns or wrong doings.

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

During the year under review, the Company has received one complaint from one of the suppliers in terms of the Vigil Mechanism Policy of the Company, the matter was reported to the Ethics Committee of the Company. The matter was investigated by the Ethics Committee and was also placed before the Audit Committee. The disciplinary action was taken against the delinquent employee.

The Whistle Blower Policy has been appropriately communicated within the Company across all levels and is available on the website of the Company at the link: <https://sonacomstar.com/files/policy/whistle-blower-policy-policy-Tb03tt.pdf>

Your Company discourages bribery and corruption in any form and has adopted an Anti-Bribery and Corruption Policy, which is available on the website at sonacomstar.com/files/policy/whistle-blower-policy-policy-MUwqe2.pdf

36. CYBER SECURITY AND DATA PRIVACY

With increasing digitalisation, rise in corporate cyber-crimes, high cost of data breaches and evolving regulations, businesses are placing greater focus on detecting, preventing, and combating information security threats. The Company identified its information security risks and is committed to safeguarding business information from internal and external threats. It is also committed to upholding stakeholders' right to privacy and, as a responsible corporate, strive to protect their personally identifiable information. Guided by the provisions of the Information Technology (IT) Act, 2000, other applicable regulations as well as

international standards, the Company has established robust policies and processes on information security.

The Company has implemented an Information Security policy, which provides management direction and guidance to ensure availability, integrity and confidentiality of information and information systems across locations.

During the Financial Year under review, the Company has updated its Data Privacy framework in compliance with the Digital Personal Data Protection Act, 2023 and the General Data Protection Regulation across all its locations and subsidiaries.

37. EXTERNAL REVIEW OF ETHICAL COMPLIANCE FRAMEWORK

The Company has engaged BDO to review the Company's compliance with the Responsible Business Alliance (RBA) code of conduct. This audit also aims to strengthen the ethical compliance framework of the Company. The period under review was from April 2023 to February 2024.

Based on the observations/suggestions in the audit report, the Company has made the necessary changes, wherever required, in the Code of Conducts and Business Ethics, Anti Bribery and Corruption Policy and Code of Conduct for Vendors, which are available on the website of the Company at <https://sonacomstar.com/policies-and-codes>

38. ANNUAL RETURN

In accordance with the provisions of Act, the Annual Return of the Company in the Form MGT-7 is available at: <https://sonacomstar.com/investor/annual-reports-and-returns>

39. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

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

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

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

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

42. INTELLECTUAL PROPERTY

Your Company is an innovation driven organisation and remained focused on creating intellectual property and filings thereof for registration regularly. On inventions, during the year under review, your company filed 11 patents and 10 designs applications with the Patent Office for registration. The Company was also granted registration of 13 patents and 15 designs during the year under review.

43. HUMAN RESOURCES

At Sona Comstar, excellence is not just about our products, technology, and delivery; it permeates every aspect of our operations and human resource practices. We are honoured to have received the 'Great Place To Work' certification for the past two years, a recognition of our strong human resource (HR) practices.

Our HR practices focus on collaboration, diversity, and inclusion, fostering innovation, creativity, and driving success. We believe in collaborating across teams, departments, and with external partners, creating a culture of shared success and continuous improvement. Through an inclusive culture, we ensure that every voice is heard, and every individual is valued.

We encourage an innovative mindset by embracing state-of-the-art technology and nurturing creative thinking at all levels, pushing the boundaries of what is possible. Our commitment to developing our workforce's engineering and technical competencies is evident through training, mentorship, and hands-on experience, ensuring they have the skills needed to excel and drive the organisation forward.

At the operator level, we enhance skills through our DOJO, where operators undergo detailed training covering safety, manufacturing processes, quality, customer service, governance, and core tools. The DOJO provides a dynamic learning environment that promotes continuous improvement and excellence.

Employee engagement is crucial to our success, and we enhance it through Quality Circles, Kaizen, cross-functional initiatives, and continuous improvement programs. These initiatives empower employees to contribute ideas and suggestions, fostering a sense of ownership and engagement.

Total Quality Management (TQM) and 'Safety First' are not just philosophies for us; they are a way of life. 'Quality First' and 'Safe Working' are ingrained in everything we do, from our products and processes to our systems. With a 'Safety First' and continuous improvement mindset, we provide a safe working environment and deliver exceptional results to our customers and stakeholders.

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

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition

Corporate Governance Report

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2.	ETHICS/GOVERNANCE POLICIES
3.	GOVERNANCE STRUCTURE
4.	BOARD OF DIRECTORS
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6.	BOARD COMMITTEES
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13.	CORPORATE GOVERNANCE INITIATIVE
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and Redressal) Act, 2013 (POSH), the Company has formulated a comprehensive Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and Internal Committee (IC) have also been set up to redress any such complaints received.

The role of the IC is not restricted to mere redressal of complaints but also encompasses prevention and prohibition of sexual harassment. In the last few years, the IC has worked extensively on creating awareness on relevance of sexual harassment issues to help employees understand the forms of sexual harassment.

The Company's goal is to create an open and safe workplace for every employee to feel empowered, irrespective of gender, sexual orientation, and other factors, and contribute to the best of their abilities. Company is committed to providing a safe and conducive work environment to all of its employees and associates.

The Company periodically conducts sessions for employees across the organisation to build awareness about the Policy and the provisions of POSH. The employees are sensitised from time to time in respect of matters connected with POSH.

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

Policy for prevention of Sexual Harassment at workplace (POSH Policy) of your Company can be viewed at the link: <https://sonacomstar.com/files/policy/posh-policy-policy-s7HMW2.pdf>

The Company has also published the procedure for filing compliant under POSH Policy on its website at <https://sonacomstar.com/files/policy/procedure-prescribed-for-filing-of-complaint-under-posh-policy-SEyfpU.pdf>

45. SUSPENSION OF SECURITIES OF THE COMPANY

The securities of the Company have not been suspended from trading on any of the stock exchanges ever.

46. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

A detailed Business Responsibility & Sustainability Report (BRSR) in terms of the provisions of Regulation 34 of the Listing Regulations is attached herewith as Annexure- K to the Annual Report.

47. CAUTIONARY STATEMENTS

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

48. ACKNOWLEDGEMENT

Your Board of Directors place on record sincere gratitude and appreciation for all the employees of the Company. Our consistent growth was made possible by their hard work, cooperation, and dedication during the year.

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

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

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

Place: Gurgaon
Date: 30th April 2024

Sunjay Kapur
(Chairman)



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.

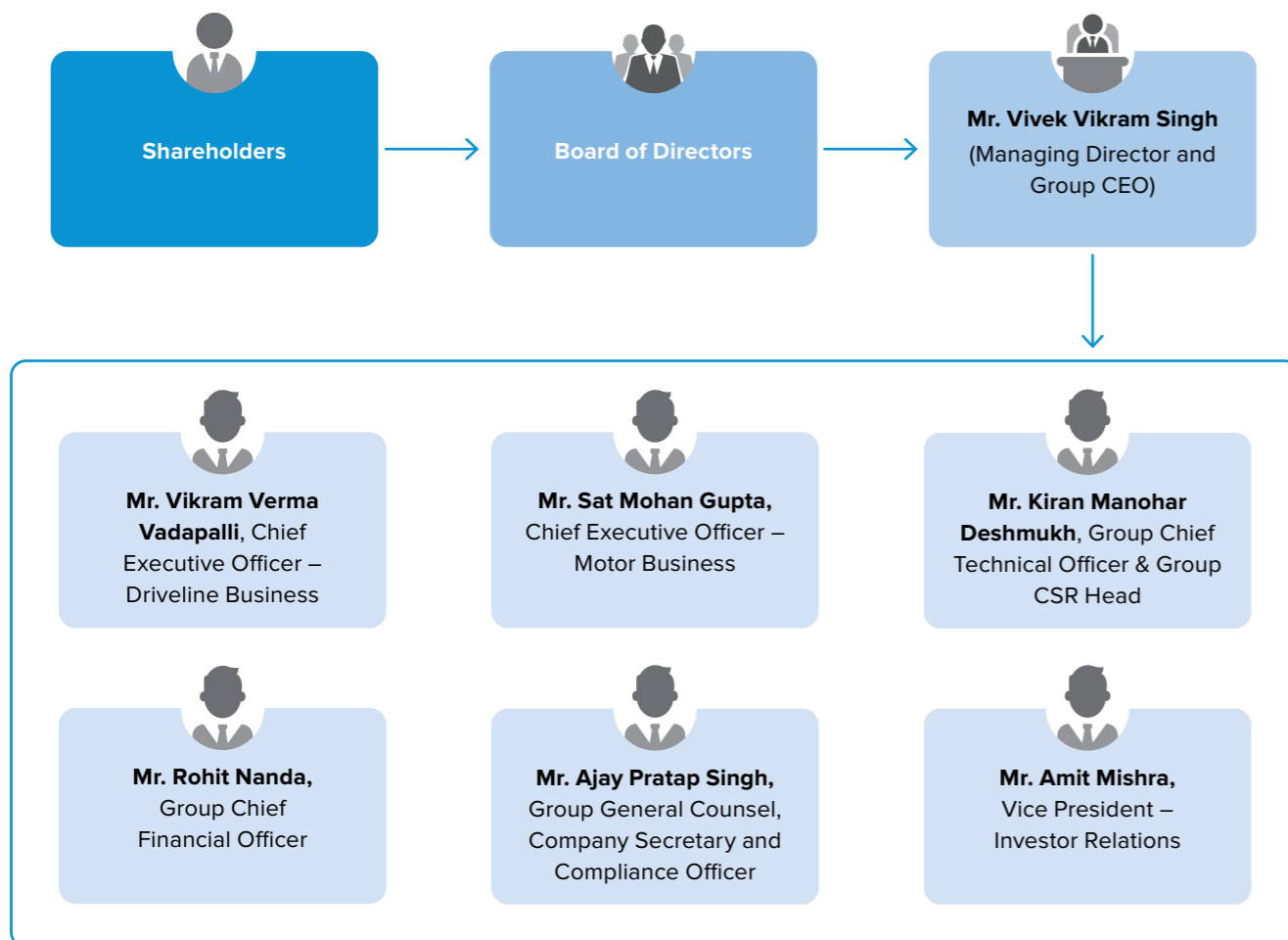
The Company has set up an **Insider Trading Tool** and mapped all the details of the Designated Persons (DPs), their immediate relative and insiders. The Company tracks the shareholding of all the DPs and

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>

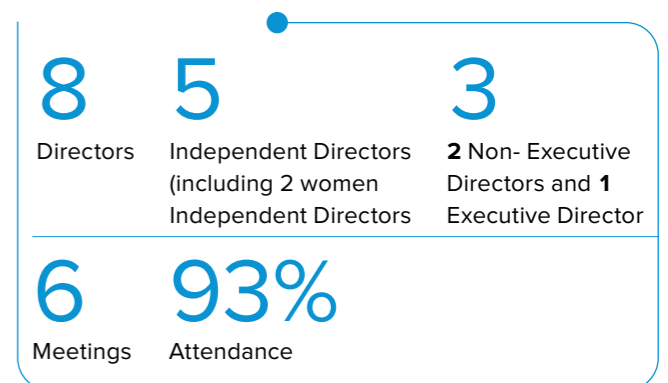
5. NUMBER OF BOARD MEETINGS, ATTENDANCE OF THE DIRECTORS AT MEETINGS OF THE BOARD AND AT THE LAST ANNUAL GENERAL MEETING

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.

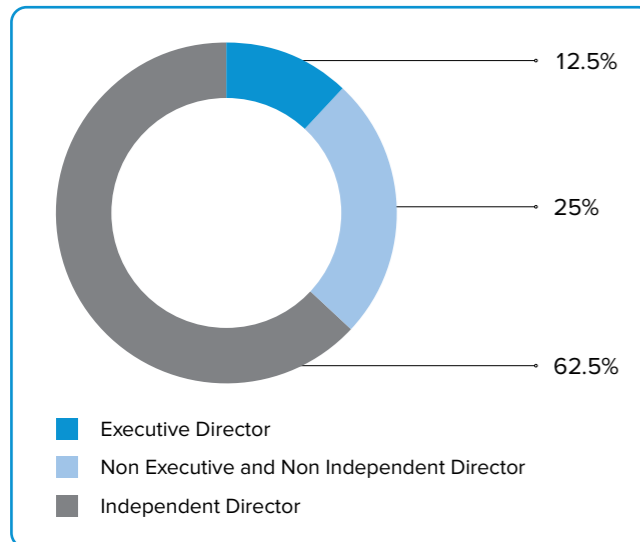
During the Financial Year under review, the Board of Directors met 6(six) times to discuss and deliberate on various matters. The meetings were held on 03rd May 2023, 27th July 2023, 14th September 2023, 25th October 2023, 23rd January 2024 and 14th March 2024. The Board have met quarterly and the gap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

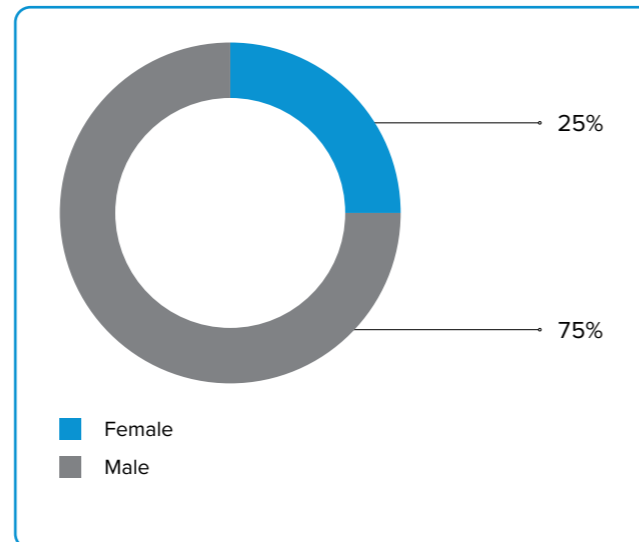
Composition and Attendance (in brief):



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:

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

(INR in million)			
S. No.	Name of Director(s)	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 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

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>

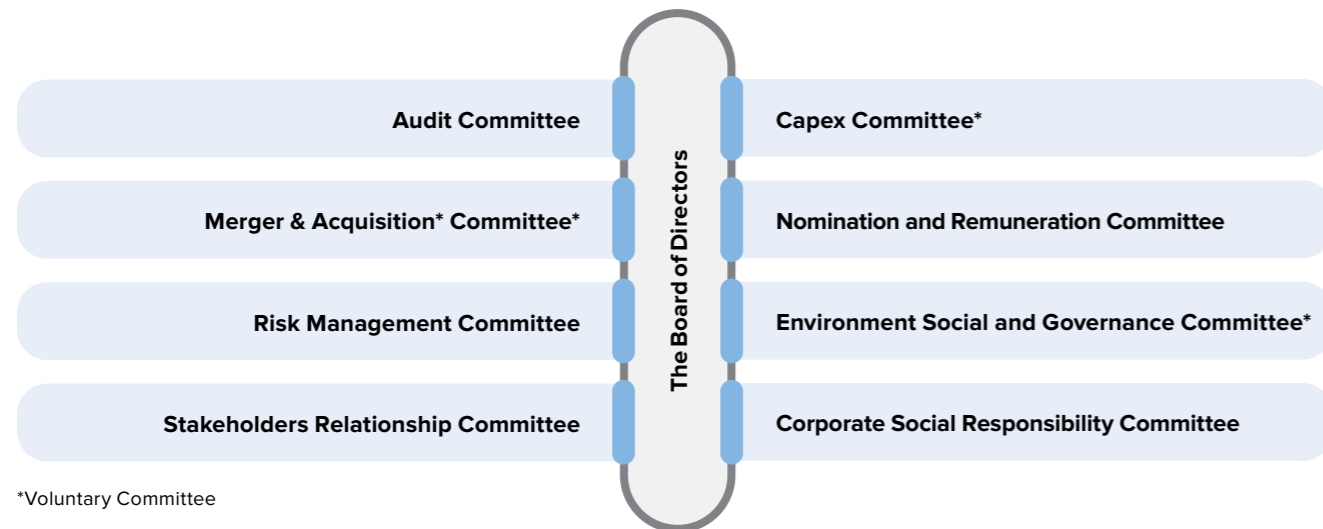
Chart/Matrix of Setting out the Skills/ Experiences competencies of the Board of Directors:

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.

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.

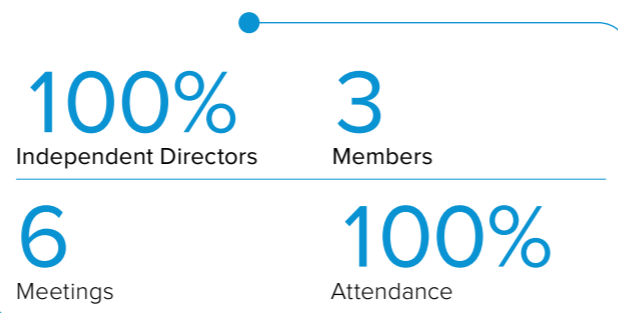
Members of the Senior Management team are also invited to attend the Audit Committee meetings. Apart from the above, the external firms engaged by the Company for implementation of framework on data protection and privacy and cyber security of the Company and its subsidiaries are also invited to make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

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 decided 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, at least once in a year, meet separately with the internal auditors, statutory auditors and/or secretarial auditors, without the presence of management.

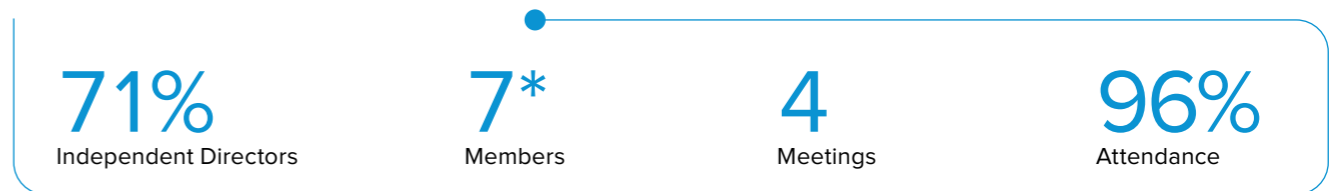
2. Nomination and Remuneration Committee

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.

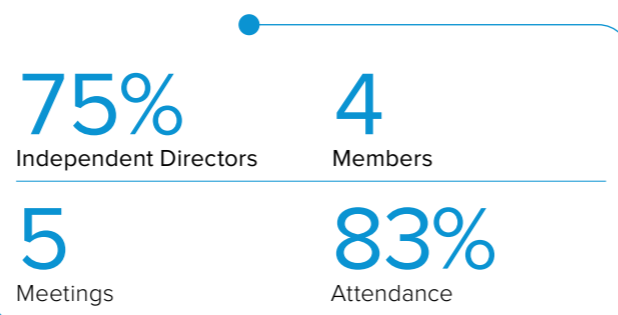
Company's CSR strategy centres around sustainability through innovation, education, especially women's education, providing livelihood support through skill development programs, plantation and creating opportunities for those who are socially or economically marginalised.

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 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 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.

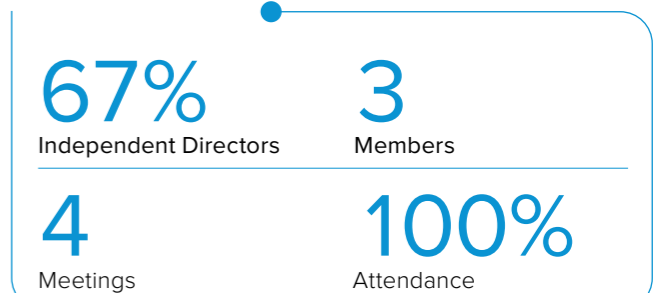
In order to address the grievance of the investor appropriately and in a time bound manner, the Company has formulated an Investor Grievance Redressal policy which can accessed at <https://sonacomstar.com/files/policy/investor-grievance-redressal-policy-policy-hCONqg.pdf>

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 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):



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:
 - 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;
 - measures for risk mitigation including systems and processes for internal control of identified risks;
 - 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.

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.

6. Environment, Social and Governance Committee

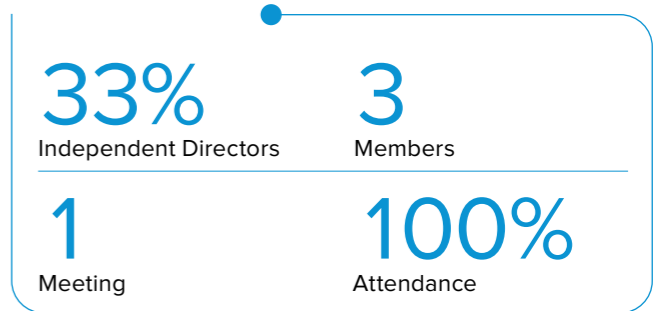
Environment Sustainability is becoming an utmost priority for the Company. The Company has taken various steps on sustainability ranging from recycling of waste water, water harvesting, rooftop solar power across all the manufacturing units of the Company and group captive solar power for its operations.

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):



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.

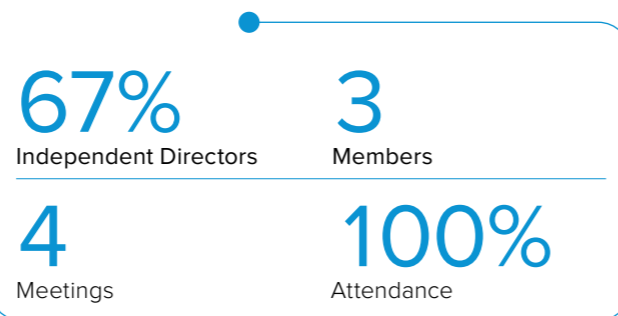
[^]Mr. Ganesh Mani, Non-Executive Director, retired from the directorship of the Company w.e.f. 19th July 2023.

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:

a. 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):



- b. To approve merger or de-merger or arrangements, approve entry into new vertical.
- c. 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:

- Requirement of diversity on the Board, in terms of skills and industry, particularly IT and cyber security.
- Conduct at least one physical board meeting during a year.
- 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 Nanda 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:

(INR in million)			
Directors	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 an 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

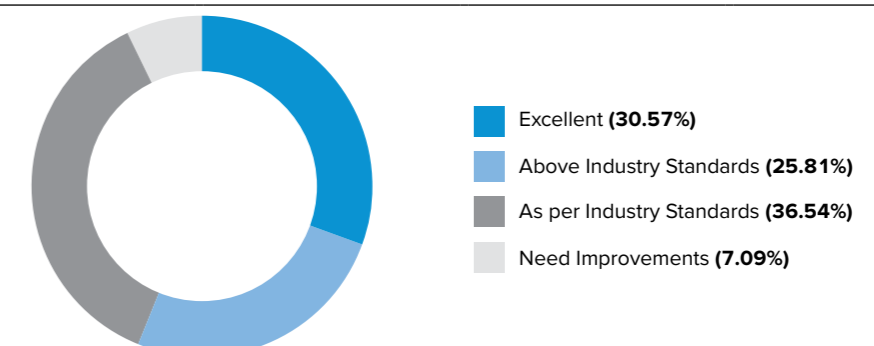
Investor's Charter and FAQs for the Shareholders

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



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

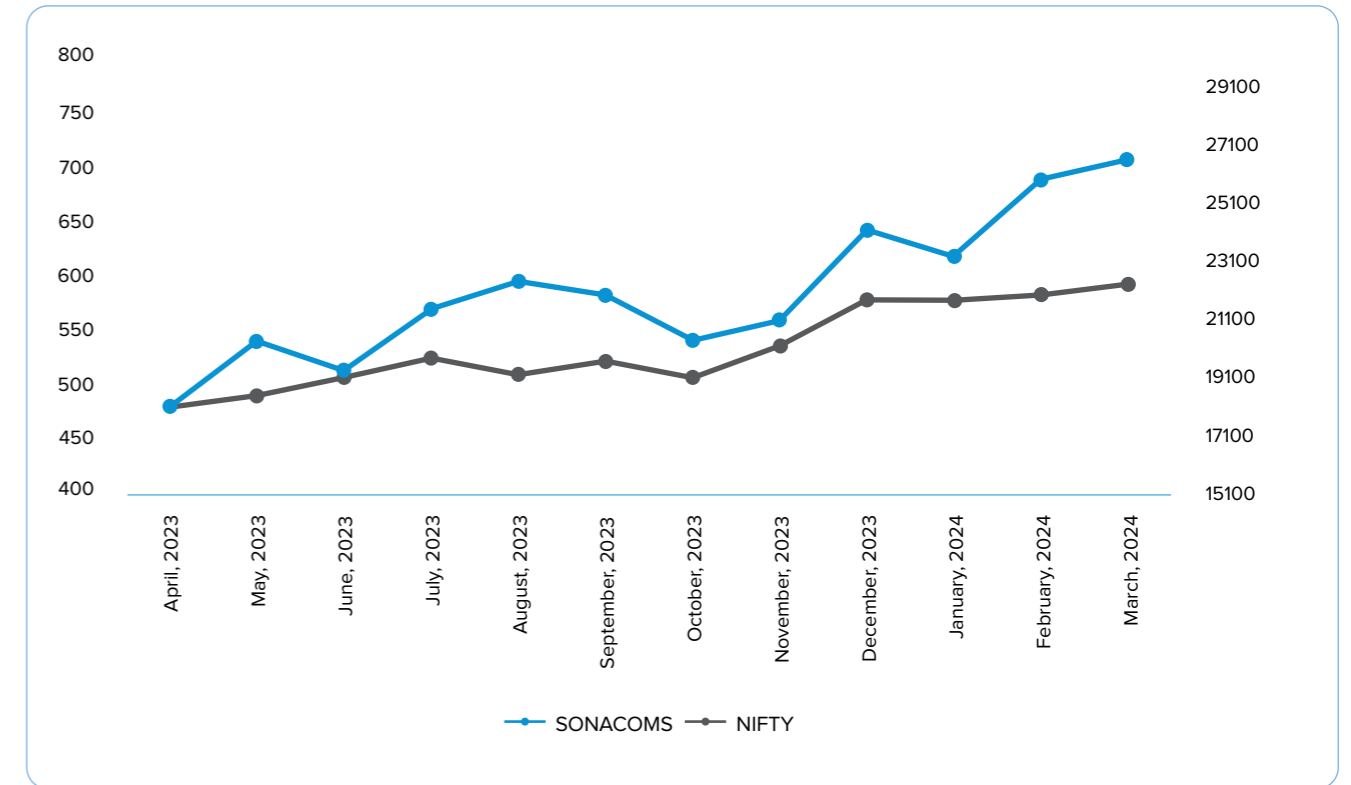
The table below provide the monthly high and low prices of the Company's equity shares on BSE and NSE for the Financial Year 2023-2024.

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

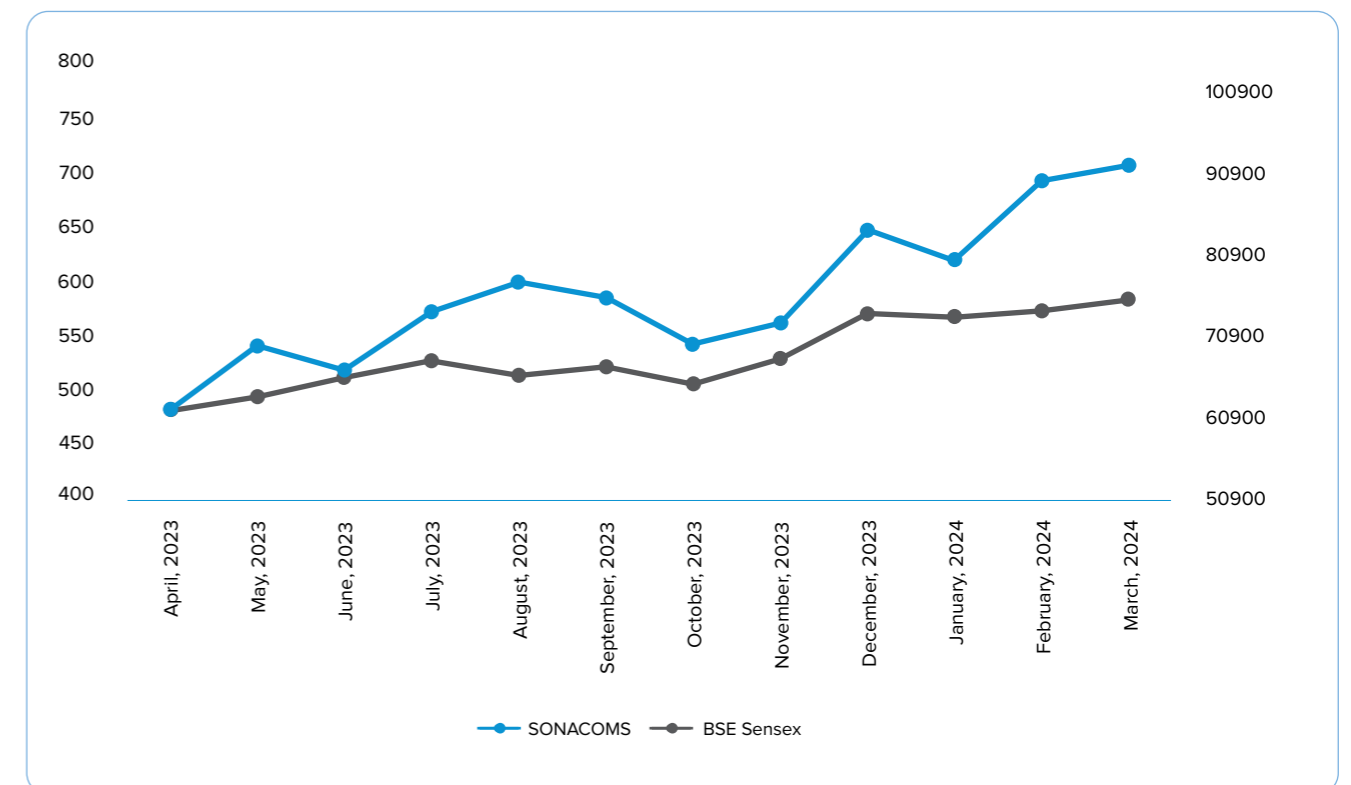
7. Stock performance in comparison to broad-based indices

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 Numbe: 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.

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.

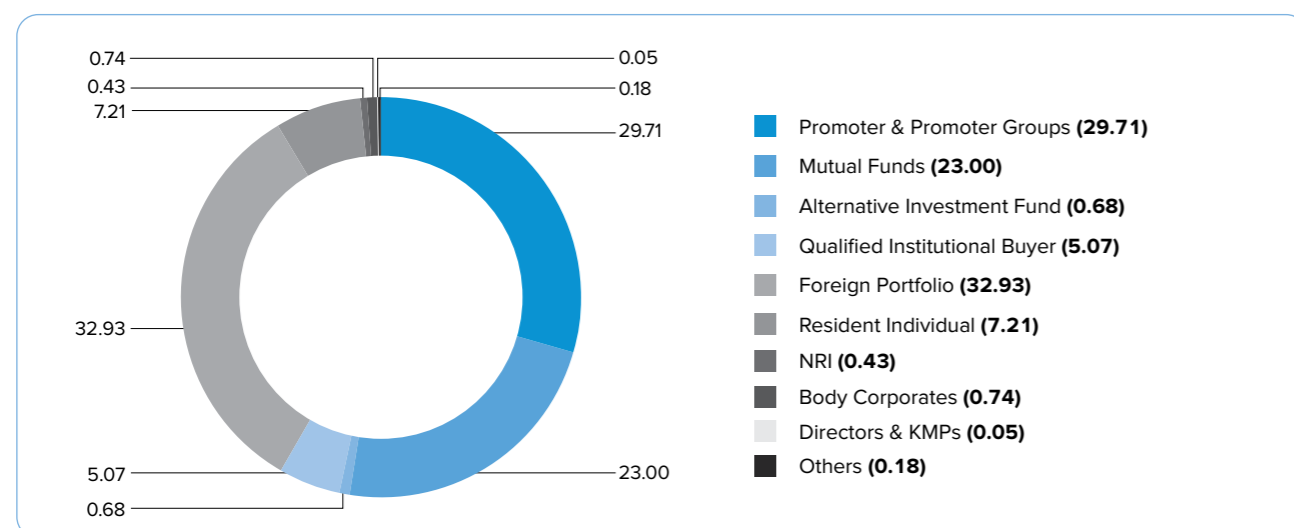
SEBI has also mandated furnishing of PAN, contact details and bank account details by holders of physical securities. Further, SEBI has extended the last date for submission of “Choice of Nomination” on voluntary basis for demat account and mutual fund folios to 30th June 2024.

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.

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



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

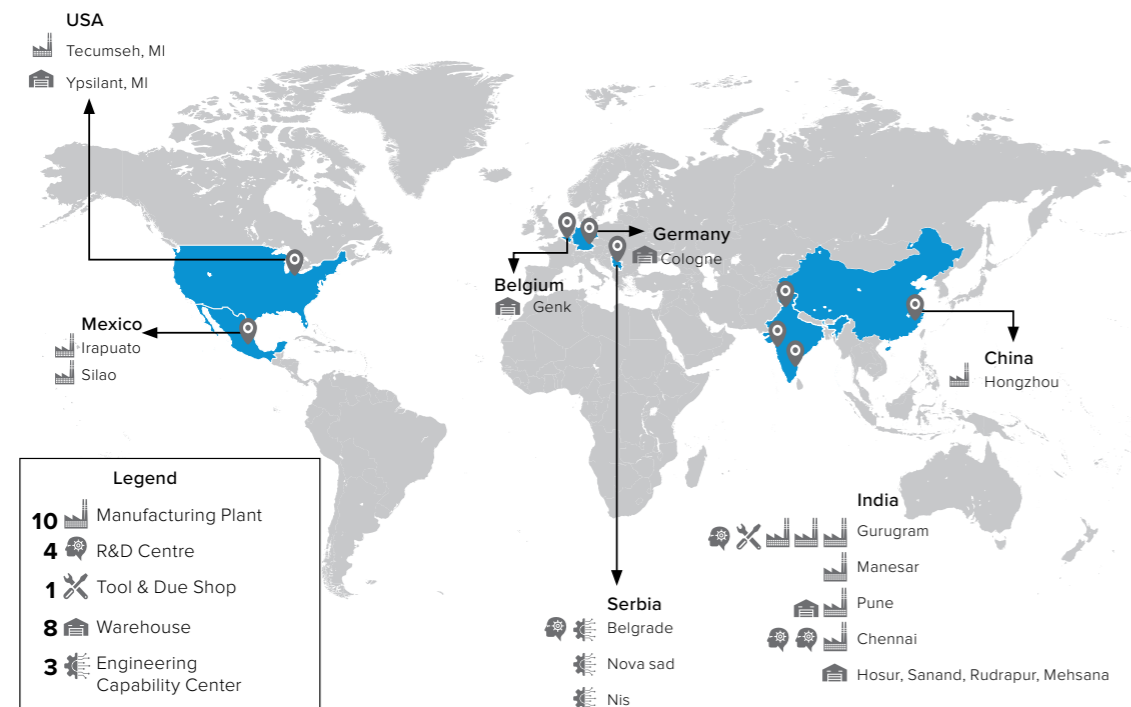
Your Company operates internationally and a large portion of the business is transacted in international currencies primarily in US\$ and EUR. Consequently, we are exposed to foreign exchange risk through our sales and services in the USA, Europe, China and other countries across the world, and purchases 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:

- Focus on ethical issues, human rights, diversity & inclusion, fair work practices, sustainability across and its value chain partners.
- Third party audit on the ethical compliances.
- Risk Management, Cyber Security, implementation of Data Privacy framework.
- Quarterly Secretarial Audit Report is placed before the Audit Committee and the Board.
- Quarterly Compliance Certificates from all the department heads, giving the status of the compliances, are placed before the Audit Committee and the Board.
- 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.
- The Chairperson of all the Statutory Committee of the Board of the Company are Independent.
- Taking inputs from the Chairperson of the respective Committees and Board on the agenda and the minutes, before circulating to the larger group.
- Implementation of various tools for monitoring the compliances status, as follows:
 - 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.
 - 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.
 - 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.

- 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.
- 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.
- Benchmarking the Company's Corporate Governance Practices with the best governed companies in India and globally.
- Voluntary independent assessment of the Corporate Governance practices.
- 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 Chandio & Co LLP
2	Sona Comstar eDrive Private Limited	India	12.11.2020	Walker Chandio & 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 Chandio & Co LLP (group perspective)
10	Sona BLW Edrive Mexicana, S.A.P.I. De C.V.	Mexico	23.06.2023	Walker Chandio & 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	Nirsen 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 Chandio & 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:

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.

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**

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:

- 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".

- 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

Annexure - C2

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 IICA, 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. Vaitthyanathan 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. & Ctris)	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.



Annexure - D

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

Annexure - E

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.
- 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.

(V) Sona Comstar-Swachh Bharat Program

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

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 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						
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
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
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			
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

Annexure - F

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

A CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy

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

During the year 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



Annexure - H

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-AllHMo.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-6W0NEP.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-0Db8qb.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-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:

- 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:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- 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.
- 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.
- We have indicated to the Auditors and the Audit Committee:
 - significant changes, if any, in the internal control over financial reporting during the year;
 - 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
 - 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

- 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**).
- 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.
- 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.
- 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

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

Details of the listed entity:

S. No.	Question	Response
1.	Corporate Identity Number (CIN) of the Entity	L27300HR1995PLC083037
2.	Name of the Listed Entity	Sona BLW Precision Forgings Limited ("Sona Comstar")
3.	Year of Incorporation	27/10/1995
4.	Registered Office Address	Sona Enclave, Village Begumpur Khatola, Sector 35 Gurgaon, Haryana 122004.
5.	Corporate Address	Sona Enclave, Village Begumpur Khatola, Sector 35 Gurgaon, Haryana 122004.
6.	E-mail	investor@sonacomstar.com
7.	Telephone	+91-124-4768200
8.	Website	http://sonacomstar.com
9.	Financial Year for which report is being done	1 st April 2023 – 31 st March 2024
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited (BSE) 2. National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital (INR.)	INR 5,86,44,77,780 divided into 58,64,47,778 equity shares of INR 10/- each
12.	Name and contact details (telephone & email) of the person who may be contacted in case of queries on the BRSR report	Mr. Rohit Nanda Group CFO Telephone: +91 124 476 8200 Email id: investor@sonacomstar.com
13.	Reporting Boundary (Standalone or Consolidated basis)	Consolidated
14.	Name of assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

Products and Services:

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	%Turnover of the entity
1.	Manufacturing	Motor vehicles, trailers, semi-trailers, and other transport vehicles	96%

17. Product/ Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/ Service	NIC Code	%of total turnover contributed
1.	Differential gears	29301	30%
2.	Differential assembly	29301	23%
3.	Motor & Motor sub-assemblies	29304	37%
4.	Others	29301	10%

Operations:

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

Location	Number of Plants	Number of Offices	Total
National	6	5*	11
International	3	4*	7

*Offices include R&D Centres and Engineering capability centres

19. Markets Served by the Entity:

a. Number of Locations:

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

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

The contribution of exports to total turnover of the entity is 59%.

c. A Brief on types of customers?

Sona Comstar is predominantly in B2B business, and our products are critical for the automotive OEMs and Tier-1 suppliers globally across India, North America, Europe, and Asia. Our products are used for application across different vehicle segments such as conventional and electric passenger vehicles, commercial vehicles, off highway vehicles and electric two and three wheelers. We earn about 69% of our revenue from direct supplies to global OEMs.

Employees:

20. Details as at the end of FY 2023-24:

a. Employees and Workers

Employees (including differently abled)						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	1,363	1,258	92%	105	8%
2.	Other than Permanent Employees	4	4	100%	0	0%
3.	Total Employees (1+2)	1,367	1,262	92%	105	8%

Workers (including differently abled)						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	309	275	89%	34	11%
5.	Other than Permanent Workers	2,998	2,855	95%	143	5%
6.	Total Workers (4+5)	3,307	3,130	95%	177	5%

b. Differently abled Employees and Workers

Differently Abled Employees						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	3	3	100%	0	0%
2.	Other than Permanent Employees	0	0	0%	0	0%
3.	Total Employees (1+2)	3	3	100%	0	0%

Differently Abled Workers						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	1	1	100%	0	0%
5.	Other than Permanent Workers	0	0	0%	0	0%
6.	Total Workers (4+5)	1	1	100%	0	0%

21. Participation/ Inclusion/ Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	8	2	25%
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers:

	FY 2023- 24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12%	28%	13%	17%	13%	16%	11%	17%	11%
Permanent Workers	3%	24%	5%	4%	29%	7%	6%	12%	7%

Holding, Subsidiary and Associate Companies (including joint ventures):

23. (a). Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding/ subsidiary/ associate company/ joint venture (A)	Indicate whether holding/ subsidiary/ associate company/ joint venture	% of shares held by listed entity*	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/ No)
1.	Comstar Automotive Technology Services Private Limited	Subsidiary	100%	Yes
2.	Comstar Automotive USA LLC.	Subsidiary	100%	Yes
3.	Comstar Automotive Hongkong Limited	Subsidiary	100%	Yes
4.	Comestel Automotive Technologies Mexicana Limited	Subsidiary	100%	Yes
5.	Comstar Automotive (Hangzhou) Co. Ltd.	Subsidiary	100%	Yes
6.	Comstar Hong Kong Mexico No1 LLC	Subsidiary	100%	Yes
7.	Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V.	Subsidiary	100%	Yes
8.	Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V.	Subsidiary	100%	Yes
9.	Sona Comstar eDrive Private Limited	Subsidiary	100%	Yes
10.	Sona BLW Edrive Mexicana, S.A.P.I. De C.V.	Subsidiary	100%	Yes
11.	NOVELIC d.o.o. Beograd – Zvezdara	Subsidiary	54%	Yes
12.	NOVELIC SRL	Subsidiary	54%	Yes
13.	NOVELIC ESC DOOEL Skopje	Subsidiary	54%	Yes
14.	Nirsens d.o.o. Beograd-Zvezdara	Subsidiary	54%	Yes

*Percentage holding in subsidiaries represents aggregate percentage of shares/voting power held by the Company and/or its subsidiaries.

CSR Details:

24.	(i). Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
	(ii). Turnover (in INR.)	31,847.82 million
	(iii). Net Worth (in INR.)	25,766.05 million

Transparency and Disclosures Compliances:

25. Complaints/ Grievances on any of the Principles (1-9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current FY 2023-24			Previous FY 2022-23		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Shareholders and Investors	Yes, http://sonacomstar.com/policies-and-codes The Company has separate e-mail id i.e., investor@sonacomstar.com for shareholders for sending their queries and grievances.	30	-	All complaints were related to non-receipt of dividend or Annual Report of the Company. All were resolved by the Company and its RTA within time. Status of all the complaints received and resolved can be found on a quarter-on-quarter basis on the website of BSE and NSE. For BSE: https://www.bseindia.com/stock-share-price/sona-blw-precision-forgings-ltd/sonacoms/543300/ For NSE: https://www.nseindia.com/get-quotes/equity?symbol=SONACOMS	46	-	All complaints were related to non-receipt of dividend or Annual Report of the Company. All were resolved by the Company and its RTA within time. Status of all the complaints received and resolved can be found on a quarter-on-quarter basis on the website of BSE and NSE. For BSE: https://www.bseindia.com/stock-share-price/sona-blw-precision-forgings-ltd/sonacoms/543300/ For NSE: https://www.nseindia.com/get-quotes/equity?symbol=SONACOMS
Employees and Workers	Yes, the Company has a separate email id i.e., speakup.sbpl@sonacomstar.com for reporting any grievance and complaints for its workers in the policy, which is available at https://sonacomstar.com/policies-and-codes . Further, Complaint of Sexual Harassment can be made can also be submitted in soft copy at posh-driveline@sonacomstar.com for driveline business and at posh-motor@sonacomstar.com for motor business, as per the POSH policy of the Company available on the website of the Company.	0	0	-	0	0	No complaints were filed during the financial period.
Customers	Yes, the Company has a separate email id i.e. speakup.sbpl@sonacomstar.com for reporting any grievance and complaints and the policy is available on the website of the Company at https://sonacomstar.com/policies-and-codes	0	0	No complaint was filed during the financial period.	0	0	No complaints were filed during the financial period.

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current FY 2023-24			Previous FY 2022-23		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Value chain partners	Yes, the Company has a separate email id i.e. speakup.sbpl@sonacomstar.com for reporting any grievance and complaints and the policy is available on the website of the Company at https://sonacomstar.com/policies-and-codes	1	0	During the year under review, the Company has received one complaint from one of the suppliers in terms of the Vigil Mechanism Policy of the Company, the matter was reported to the Ethics Committee of the Company. The matter was investigated by the Ethics Committee and was also placed before the Audit Committee. The disciplinary action was taken against the delinquent employee.	0	0	No complaints were filed during the financial period.
Communities	Yes, the Company has a separate email id i.e. speakup.sbpl@sonacomstar.com for reporting any grievance and complaints and the policy is available on the website of the Company at https://sonacomstar.com/policies-and-codes	0	0	No complaints were filed during the financial period.	0	0	No complaints were filed during the financial period.

26. Overview of the entity's material responsible business conduct issues

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

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
1.	Ethics, Accountability, and Transparency	Risk and Opportunity	Adherence to the highest standards of transparency and business ethics results in corporate governance excellence. Our governance mechanism is designed to promote transparency in the system, adherence to compliances, and ensuring accountability. The mechanism strives to create a value system to achieve business excellence and increase stakeholder confidence.	To strengthen the value system, the Company has implemented ethical policies and framework to inculcate a culture of compliance and governance. With regular communication, training and awareness sessions of the employees, extended workforce, and suppliers, the Company drives ethical behavior. Many of these policies are available on Company's website for the benefit of all the stakeholders.	Unethical behavior, non-compliance, and violation of any form may bring punitive and reputational repercussions, beside loss of investors' confidence and brand erosion.
2.	Safe and Healthy Working Conditions	Risk and Opportunity	By identifying health and safe working condition as a risk and opportunity, the Company prioritises the well-being of its employees, complies with legal norms, maintains operational efficiency & continuity, and manages costs effectively. These factors, contribute to the overall sustainability and long-term success of the company. Our priority is to ensure a safe working environment for all our employees and workers with primary focus on safety management system, mitigation of associated hazards, regular training and mock drills, periodic risk assessment, and continual improvement in OHS management system.	A strong security system is in place to fulfill the Zero Harm vision. These processes are well designed, rely on real-time data, and are centered on the shared-responsibility principle. At Sona Comstar, we have set high standards of occupational safety at all our premises. Regular assessment of health and safety practices and working conditions for all our plants and offices to identify gaps, if any and develop corrective action plans. Respective Plant management teams, along with key facility workers, are responsible for implementing adequate safety policies, procedures, and measures from a corporate governance standpoint.	Health and Safety related incidents may cause disruption, impact employee morale, and business reputation leading to negative financial implications.
3.	Product Safety and Quality	Risk and Opportunity	Our aim is to strive for quality excellence and our core values – 'Vitality, Frugality, and Agility' reflect our approach in developing products that create positive customer experience. On one hand, Opportunities outweigh the Risks such as competitive advantage, foster customer satisfaction and customer loyalty, strong brand equity & image and drive business success. While, on the other hand, product quality and safety pose threats in the form of potential harm to consumers, non-compliance with regulatory & statutory norms and negative impacts on brand reputation and revenue.	Our product responsibility extends beyond manufacturing and sales, contributing to cleaner and safer mobility. The key guiding principle of our approach is to minimise the impact on environment while maximising safety, economic and social impact. Our manufacturing facilities are IATF 16949 certified which stands for continual improvement, emphasising defect prevention, and reduction of variation and waste in the supply chain and assembly process.	Defective products may account for product recalls. Product recalls can also impact consumers' quality perception, which can result in reputational harm damage. Product recall may increase cost due to product replacements and the creation of product fixes, apart from the litigation cost.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
4.	Material Sourcing	Opportunity	In an auto-component business, identifying material sourcing as a risk and/or opportunity, proactively allows in addressing supply chain vulnerabilities, strengthening value chain resilience, improving competitiveness, effectively managing costs, fostering innovation, and driving quality and long-term sustainability in business operations. Sona Comstar selects the best materials suitable for respective end application thereby optimising the amount of material utilised in operations. Furthermore, we have adopted circular economy by using recycled input material and returnable packaging wherever possible.	--	Responsible material sourcing could result in higher levels of consumer satisfaction, sustainability, and an increase in market competitiveness.
5.	Solutions for low carbon mobility	Opportunity	Sona Comstar believes that electrified mobility is necessary to reduce the GHG emissions arising from automobiles and for a greener planet. It has therefore embarked on a journey to increase its revenue from battery electric vehicles (BEV) and focused its R&D efforts towards developing drive motors, controllers, and transmission solutions for different types of electric vehicles.	--	As of 31 st March 2024, we derived 29% of our sales from BEV. We have won 54 EV programs across 30 unique customers. We will increasingly derive higher percentage of our revenue from EVs and target to achieve 45% of our revenue from EV targeted products by 2026.
6.	Energy Management	Opportunity	Our energy policy is primarily focused on improving energy efficiency in our operations, execution of innovative projects to optimise energy demand, and the proactive use of renewable energy.	--	Energy saving initiatives and enhanced use of renewable energy would result in sustainability and reduce the company's specific energy consumption thereby leading to financial savings.
7.	Emissions Management	Risk and Opportunity	One of the most important solutions to climate change is reducing greenhouse gas emissions, which is why it is so important in executing our commitments for carbon management & greenhouse gas mitigation.	We intend to increase the proportion of renewable electricity in our total energy consumption for the reduction of GHG emissions and saving energy by using electricity generated from the solar plant. We have also taken targets for reduction in specific energy consumption to improve energy intensity in our operations.	There may potentially be negative financial implications and reputational damage in case of failure to meet the commitment towards GHG reduction.
8.	Waste Management	Risk and Opportunity	Safe management of both hazardous and non-hazardous wastes is an important business conduct issue for every manufacturing industry. Our Management Policy on Environment directs us to implement effective and efficient waste management practices with an aim to recycle and reduce the waste generated while transforming resources into valuable products	We have implemented initiatives throughout the year, such as recycling of waste die lube recovered from manufacturing operations.	Improper management of waste may lead to environmental pollution/contamination, regulatory fines and notices, adverse impacts on health, and community protest that will negatively impact the brand's reputation.



S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
9.	Respect for Individuals	Risk and Opportunity	<p>Sona Comstar is ensuring 100% employees are trained on aspects of "respect towards Individuals". We are committed to providing our workers and officers with equal opportunities in terms of recognition, advancement, and career path, regardless of their origin or views, and do not tolerate any form of discrimination or harassment.</p> <p>Any violation in human rights may lead to regulatory, legal, and legislative challenges besides making the company not a preferred employer of choice.</p>	<p>Our induction programmes are structured in a manner which highlights awareness of human rights for new employees and refresher training. Sona Comstar complies with all the required labor laws and is OHSAS 18001 certified. We also provide training to our employees at the time of induction about the code of conduct which covers human rights issues such as child labor, gender diversity, workplace discrimination. We also get background verification conducted through a third party for all the new employees.</p> <p>The Company strives to uphold the basic principles of human rights in all its operations. This is in alignment with its codes and policies.</p> <p>We also provide a vigil mechanism for our employees to report genuine concerns for any unfair and unjust incident under the ambit of law.</p> <p>We have also been certified as a Great Place to Work.</p>	Potential to negatively impact the brand image, inability to retain good talent etc.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the policies, if available	https://sonacomstar.com/policies-and-codes								
2. Whether the entity has translated the policy into procedures? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949, ISO 14001, ISO 45001, ISO 50001, TPM, ENMS, ASES, and VQE								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	Refer to Sustainability Report FY 2022-23 for ESG Goals and Targets								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	Refer to Sustainability Report FY 2022-23 for ESG Goals and Targets								

Governance, leadership, and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	The statement of director responsibility for business responsibility report and ESG related challenges, targets and achievement are provided in the Chairman's message and Managing Director's message forming part of the Annual Report of the Company.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	DIN: 07698495 Name: Mr. Vivek Vikram Singh Designation: Managing Director & Group CEO Telephone No.: +91-124-4768200 Email-id: investor@sonacomstar.com								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If "Yes", provide details	Yes, The Board of Directors have constituted ESG Committee for implementation of Environment, Social, and Governance framework across its operations.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any Other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, the performance against policies and procedures are reviewed periodically by Departmental Heads and Committees.									Quarterly and annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all applicable statutory and regulatory requirements. On a quarterly and annual basis, the company discloses its financial and non-financial performance in line with the mandatory requirements.																	



11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).

If “Yes”, provide name of the agency.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The Policies on Quality, Safety, Health, and Environment are subject to various internal and external audits/reviews as part of ISO certification process, ongoing periodic customer assessments and internal audit. This includes customer audits, limited assurance of certain key ESG parameters by an independent auditor, impact assessment of CSR activities etc. Through these audits and evaluations, working of policies under various principles is validated/checked/verified.								

12. If Answer to Question (1) Above is “NO”, i.e., not all Principles are covered by a Policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any Other Reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Entity demonstrates their performance in integrating the Principles and Core Elements with key processes and decisions.

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

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the FY 2023-24:

Segment	Total number of training and awareness programmes held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	Training and awareness sessions on Ethics, Anti Money Laundering, Anti Bribery and Corruption, Governance & Trade Embargo and Data Protection laws.	67.5%
Key Managerial Personnel	8	Training and awareness sessions on Ethics, Anti Money Laundering, Anti Bribery and Corruption, Governance & Trade Embargo, Data Protection laws, Ethical Compliance framework, Cyber Security (Phish or Treat) and Prohibition of Sexual Harassment.	100%
Employees other than BoD and KMPs	550	Training held for various topics including: <ul style="list-style-type: none"> Ethical Compliance IT Security Awareness training Prevention of Sexual Harassment at Workplace Data Protection and Data Privacy Training Shot Peening, CQI-9, Minitab, Shot Blasting Machine Maintenance, MS-Project, First Aid, Kiken Yochi for Safety, Integrated Management Systems, Daily Work Management, Problem Solving tools, Measurement System Analysis, Environmental, social and governance (ESG) 	100%
Workers	125	Training held for various topics including: <ul style="list-style-type: none"> Company Overview Safety Dojo Product Dojo 5-Senses Dojo Production Rule Quality Dojo Process-Dojo Maintenance Dojo 	100%

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

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

During FY 2023-24, there were no fines/penalties/punishments/awards/compounding fees/settlements as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 imposed on the Company or its Directors/KMPs, which can have material impact on the Company. The disclosures were made as per regulation 30 to the exchange from time to time.

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

Not applicable

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

Yes, the Company has an ‘Anti Bribery and Corruption Policy’, which is applicable to all directors, officers, employees, agents, representatives, and other associated persons of the Company. The Company does not tolerate bribery, kickbacks, or corruption of any kind, directly or through third parties. The policy is available on company’s website at: <https://sonacomstar.com/files/policy/anti-bribery-and-corruption-policy-policy-8i68Y7.pdf>

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

	Current FY 2023-24	Previous FY 2022-23
Directors	0	0
Key Managerial Personnel (KMPs)	0	0
Employees	0	0
Workers	0	0

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

	Current FY 2023-24		Previous FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Nil

8. Number of days of accounts payables ((Accounts payable*365)/ Cost of goods/services procured) in the following format:

	Current FY 2023-24	Previous FY 2022-23
Number of days of accounts payables	53.5	50.5

9. Openness of Business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	Current FY 2023-24	Previous FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of the total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	-	-
	b. Number of dealers/ distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	-	-
Share of RPTs* in	a. Purchases (Purchases with related parties/ Total Purchases)	-	-
	b. Sales (Sales to related parties/ Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	-	-
	d. Investments (Investments in related parties/ Total Investments made)	-	-

- On a consolidated basis after elimination of intercompany transactions within the group

Leadership Indicators

1. Awareness programmes conducted for the value chain partners on any of the principles during the FY 2023-24:

Total number of awareness programmes held	Topics/ Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
We conducted six training and awareness sessions on the ethical compliance framework for value chain partners during FY 2023-24.	A total of 400 suppliers attended these sessions.	

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

Sona Comstar has implemented policies and Code of Conduct and Business Ethics, and has procedures in place to avoid/ manage conflict of interests such as Code of Conduct for Directors and Senior Managements, Policy on Related Party Transactions, Policy for determining Material Subsidiaries, Code on Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct for Prevention of Insider Trading, Policy for Determining Materiality, and Whistle Blower Policy. The Company undertakes training and awareness sessions on ethical business practices, including sessions to avoid or manage the instances of conflict of interests in an appropriate manner.

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

Essential Indicators

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

	Current FY 2023-24	Previous FY 2022-23	Details of improvements in environmental and social impacts
R&D	91%	91%	Development of new technologies and products for development of drivetrain and powertrain products for electric vehicles and testing equipment.
Capex	75%	73%	Setting up of manufacturing capacity for various products meant for use in EV drivetrain and powertrain. It also includes R&D capex for development of such products.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No).
b. If "Yes", what percentage of inputs were sourced sustainability?

Yes, Sona Comstar has a Green Procurement Guideline with a dedicated Environment Declaration. The Company's supplier selection, assessment and evaluation process includes elements of sustainability. This also includes initial supplier survey, continuous risk assessments and periodic audits. As a result of this, 100% of our new suppliers are assessed on sustainability parameters at the time of onboarding through the supplier selection process. As part of the green procurement guideline, elements of sustainability are also incorporated in our standard purchase contracts and our suppliers are expected to adhere to these.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life for:

- Plastics (including packaging)
- E-waste
- Hazardous waste
- Other waste

The products manufactured by Sona Comstar are integrated into automobiles produced by their customers, making it impractical to separate or reclaim them individually. Therefore, the question does not apply to its products.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).

- If "Yes", whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board?
- If "Not", provide steps taken to address the same.

Yes, Extended Producer Responsibility for plastics is applicable to Sona Comstar. The Company is under process for EPR registration under two categories 'Importer' and 'Brand Owner' with the relevant authority, Central Pollution Control Board (CPCB). Post successful registration, the Company will receive targets and roll out its plan for achieving the said targets.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessment (LCA) for any of its products (for manufacturing industries) or for its services (for service industry)? If "Yes", provide details in the following format:

NIC Code	Name of product/ service	% of Total Turnover contributed	Boundary for which the Life cycle perspective/ assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If "Yes", provide web-link
No LCA conducted during the reporting period.					

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

NIC Code	Name of product/ service	% of Total Turnover contributed
The company has not identified any significant environmental or social concern arising from production of its products, as the company is investing steadily towards manufacturing of EV products.		

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

Indicate input material	Recycled or re-used input material to total material	
	Current FY 2023-24	Previous FY 2022-23
Steel and Casting	34%	29%

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

Indicate Product Category	Current FY 2023-24			Previous FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-Waste						
Hazardous Waste						
Other Waste						

The Company does not reclaim products and packaging material at end of life.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate Product Category	Reclaimed products and their packaging materials as % total products sold in respective category
	Not applicable.

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

Essential Indicators

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

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1,258	1,258	100%	1,258	100%	-	-	12	1%	-	-
Female	105	105	100%	105	100%	105	100%	-	-	36	34%
Total	1,363	1,363	100%	1,363	100%	105	8%	12	1%	36	3%
Other than Permanent Employees											
Male	4	4	100%	4	100%	-	-	0	0%	-	-
Female	0	0	0%	0	0%	0	0%	-	-	-	-
Total	4	4	100%	4	100%	0	0%	0	0%	-	-

1.b. Details of measures for the well-being of Workers:

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	275	266	97%	275	100%	-	-	233	85%	-	-
Female	34	12	35%	34	100%	34	100%	-	-	8	24%
Total	309	278	90%	309	100%	34	11%	233	75%	8	3%
Other than Permanent Workers											
Male	2,855	2,847	99.7%	2,885	100%	-	-	13	0.4%	-	-
Female	143	141	98%	143	100%	143	100%	-	-	102	71%
Total	2,998	2,988	99%	2,998	100%	143	5%	13	0.4%	102	3%

1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	Current FY 2023-24	Previous FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.22%	0.17%

2. Details of retirement benefits, for Current FY 2023- 24 and Previous FY 2022- 23*

Benefits	Current FY 2023-24			Previous FY 2022-23		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
NPS (Others)	9%	0%	Yes	10%	0%	Yes
Superannuation	0.3%	0%	Yes	1%	0%	Yes

* Only for India locations

3. Accessibility of Workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

If “Not”, then whether any steps are being taken by the entity in this regard.

Yes, the Premises/Offices are accessible for differentially abled employees and workers currently working in the company. However, accessibility to certain parts of the premises/offices may be limited for people with certain types of special needs.

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

Sona Comstar’s Code of Conduct and Business Ethics for its employees clearly specifies: “the Company provides equal opportunities to all its employees, irrespective of their race, caste, religion, gender, sex, sexual orientation, marital status, colour, age, nationality, disability, etc. New displays have been added in prominent places to announce our equal opportunity policy not only to our employees but also for prospective employees who come to our premises in search of a job. The Code of Conduct and Business Ethics for employees is available at <https://sonacomstar.com/policies-and-codes>

5. Return to work and Retention rates of permanent employees and workers that took parental leave for FY 2023- 24.*

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

*Since anyone was not due to return in FY24, hence provided Not Applicable

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

Permanent Workers	At Sona Comstar, various platforms are available with employees and workers to register their complaint such as HR Help Desk, Grievance Redressal Register and e-mail id for reporting POSH related complaints and strong whistle blower mechanism in place to effectively address complaints/ issues raised. If a Whistle Blower wants to report any wrongdoing, he/she can do so by opting for any of the below mentioned mode of communication an email may be sent to speakup.sbpl@sonacomstar.com about the matter to be reported. Only the members of Ethics Committee shall have access to this email id. POSH Complaints can be submitted in soft copy at posh-driveline@sonacomstar.com for driveline business and at posh-motor@sonacomstar.com for motor business.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	



7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	Current FY 2023-24			Previous FY 2022-23		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)
Total Permanent Employees	1,363	0	0%	1,043	0	0%
- Male	1,258	0	0%	991	0	0%
- Female	105	0	0%	52	0	0%
Total Permanent Workers	309	163	53%	332	164	49%
- Male	275	141	51%	299	143	48%
- Female	34	22	65%	33	21	64%

8. (a). Details of training given to employees and workers on “Health and Safety Measures”

Category	Current FY 2023-24			Previous FY 2022-23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,262	1,262	100%	991	670	68%
Female	105	105	100%	52	35	67%
Total	1,367	1,367	100%	1,043	705	68%
Workers						
Male	3,130	3,130	100%	2,968	2,349	79%
Female	177	177	100%	53	49	92%
Total	3,307	3,307	100%	3,021	2,398	79%

(b). Details of training given to employees and workers on “Skill Upgradation”

Category	Current FY 2023-24			Previous FY 2022-23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,262	1,190	94%	991	965	97%
Female	105	93	89%	52	43	83%
Total	1,367	1,283	94%	1,043	1,008	97%
Workers						
Male	3,130	3,083	98%	2,968	2,588	87%
Female	177	175	99%	53	49	92%
Total	3,307	3,258	97%	3,021	2,637	87%

9. Details of Performance and Career Development reviews of employees and workers:

Category	Current FY 2023-24			Previous FY 2022-23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,258	1,248	99%	991	991	100%
Female	105	102	97%	52	52	100%
Total	1,363	1,350	99%	1,043	1,043	100%
Workers						
Male	275	275	100%	299	299	100%
Female	34	34	100%	33	33	100%
Total	309	309	100%	332	332	100%

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

10. Health and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) If “Yes”, then coverage of the system.	Sona Comstar is compliant with ISO 45001:2018 Occupational Health and Safety (OH&S) management system and 100% of its facilities are covered by it.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?	The Company identifies all the potential work-related incident risk through the hazard identification process and conducts likelihood assessment to estimate the frequency or probability of occurrence. Risk reduction measures are implemented to prevent incidents (reduce likelihood of occurrence) or to control incidents (limit the extent and duration of a hazardous event) and to mitigate the adverse effects or consequences. In addition to this Sona Comstar has also prepared an Emergency Preparedness Plan, Mock Drill Record Evaluation Checklist, Aspect Register and COVID-19 - Standard Operating Procedure Manual to minimise work-related hazards. In case of non-routine activities, a quick assessment is taken before the commencement of the activity and through work permit system necessary controls are implemented as per the level of risk to eliminate or minimise the identified risks.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)	Yes, various mechanisms have been implemented to report work-related hazards as per ISO 45001:2018 a) Safety Patrol, b) Risk assessment, and c) Near miss report. To mitigate work-related hazards, the company conducts emergency mock drills and safety drills as well as engages in capacity building and awareness sessions to equip its employees and workers with safety protocols and risk management steps.
d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, Sona Comstar ensures overall health and wellbeing of its employees and workers. We have tied-up with multi-specialty hospitals, taken health insurance, term insurance, accident insurance, regular health check-up, and camps for our employees and their families. We provide ‘Svastha “Health and Wellness Initiatives” and Health Camps including yoga sessions and workshops on mental well-being are provided periodically to all employees.

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

Safety Incidents/ Number	Category	Current FY 2023-24	Previous FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.34	0.38
	Workers	0	0.32
Total recordable work-related injuries	Employees	1	1
	Workers	0	2
Number of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

Sona Comstar has adopted a Management Policy on Quality, Environment, Occupational Health, and Safety which depicts its commitment to prevent injury or any health hazard for all its stakeholders. The company has taken safety measures to address any injury/accident at the workplace. When performing work on specified machines, LOTO (Lockout Tagout) procedures have been reinforced for all maintenance staff to avoid unforeseen events and increase the workforce productivity. An action plan is prepared w.r.t any accident occurred on worksite and measures to avoid future similar accident. Training and awareness sessions are also conducted such as fire safety, NC handling, Chemical safety, Road safety, DOJO 8 Steps training covering, 5S, 5 Senses relevance while working on shopfloor, Specific Process Operations Module on Forging, Heat Treatment, Quality Inspection, Packaging, Trolley Movement, and MHA training (Forklift driver & truck driver Defensive driving training) etc. Machine Risk assessment process is implemented all across the shops to convert high risk machines to low-risk machines. KY (Kiken Yochi), danger prediction activity is made mandatory along with work permit system for all non-routine activities.

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

	Current FY 2023-24			Previous FY 2022-23		
	Filed	Pending Resolution at end of year	Remark	Filed	Pending Resolution at end of year	Remark
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health and Safety	Nil	Nil	-	Nil	Nil	-



14. Assessment for the Year (2023- 24):

	% of plants and offices that were assessed (by entity or statutory authorities or third party)
Health and Safety Practices	100%
Working Conditions	100%

Footnote: The assessment is carried out as part of ISO certification by a third-party.

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

No significant risk was identified during the assessment for the reporting period.

Leadership Indicators

1. Does the entity extend any life insurance or compensatory package in the event of death of (A). Employees; and (B). Workers (Yes/No). Provide detail.

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

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

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

3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Qs. 11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	FY 2023- 24	FY 2022- 23	FY 2023- 24	FY 2022- 23
Employees	0	0	0	0
Workers	0	0	0	0

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

Yes, at Sona Comstar, subject to the criticality of role and business needs employment retention programme is available. On a case-to-case basis, a few senior employees have been retained as consultants post their retirement from the company by offering them contractual roles. In addition to this, capacity building and training sessions for skill upgradation are provided to all employees, irrespective of their tenure in the company which enhance their employability in case of termination of employment.

5. Details on assessment of value chain partners (FY 2023- 24):

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	Sona Comstar integrates its sustainable and responsible supply chain requirements in its vendor identification and procurement process. The company's Vendor Code of Conduct and Green Procurement Guidelines clearly demonstrate company's commitment towards ethical dealing, responsible business, sustainable procurement, resource optimisation, and social commitments. Company's procurement team ensures vendors accept the Vendor Code of Conduct and comply with all regulations, maintaining a tracking and monitoring system for this purpose.
Working Conditions	

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

No risk identified during the reporting period.

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

Essential Indicators

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

Stakeholder engagement at Sona Comstar is an exercise through which we establish and maintain honest connection with our stakeholders and convey our strategy to them. We believe that stakeholder dialogue is a valuable tool to understand our stakeholder's expectations as well as to convey them about company's social and environment performance and risks. We have identified and mapped our internal and external stakeholders, including disadvantaged, vulnerable, and marginalised stakeholder groups who are influenced by or influence company's decisions. To discuss current and potential risks, opportunities, and growth objectives with our identified primary stakeholders, we use flexible and diverse engagement approaches and techniques.

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

Stakeholder Group	Identified as Vulnerable or Marginalised Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Board of Directors (BOD)	No	Emails, Meetings, Board Decks, Annual Reports, and Quarterly Reports	At least once every quarter	Role and responsibility of Board of Directors defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Therefore, the Board and its committees meet from time to time to discuss and approve regulatory and other agenda items pertaining to the operations of the company.
Investors and Shareholders	No	Conferences, Annual Report, Notices, E-mail, Investor Meetings, General Meetings, Corporate Announcements, Newspaper Advertisements, Press Release, Investor Presentation, Quarterly & Annual Results, Earnings Calls, Company's and Stock Exchange's website.	Quarterly and annually	Share the key developments, business performance, financial results, and the company's strategy, with the investors and shareholders. Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website: https://www.sonacomstar.com/ contains a dedicated functional segment 'INVESTOR RELATIONS' where all the information meant for the shareholders is available, including information on Directors, Financial statements, Annual reports, Codes and Policies, etc. Shareholders/Investors can write directly to the Investors' Relations department.
Employees and Workers	No	Training & Workshop, Website, Email, Meetings, and Conferences	Continuous	Engagement with Employees and Workers is a continuous process and is essential for developing and executing company's strategy and business plans. Through various training programs, welfare measures etc., the company endeavors to increase the employees' engagement and competency at work as well as promotes better work-life balance for them.
Customers	No	Personal visits, Mass media, digital communications, E-mails, Plant visits and social media	Continuous	Customer stewardship in terms of transparency, informed choices, Customer centric design and innovation.

Stakeholder Group	Identified as Vulnerable or Marginalised Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Communities	Yes	CSR activities, Meetings and briefings, Impact assessment surveys, Official communication channels, including emails, advertisements, Publications, Websites, and social media	Continuous	Implementing community initiatives and improve the surroundings, facilities, and standard of living for the communities, including improvement in school facilities, building and maintaining toilets in public schools etc.
Suppliers and Dealers	No	Supplier & vendor meets, Workshops & trainings, Policies, IT-enabled information sharing tools and recognition platforms, Dialogue on the industry initiatives, and training course.	Continuous	Training, quality improvement, capacity building measures, safety related training as per new clauses under ISO 14000. Suppliers meet to discuss vision and mission, business plan, supplier awards.
Government and Regulators	No	Official communication channels, Regulatory audits/ inspections, Environmental compliance, Policy intervention, good governance, and Statutory Corporate Filings	Need Based	Report and compliances on Legal and Regulatory Requirements.

Leadership Indicators

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

At Sona Comstar, there are various committees that are formed by the Board to effectively monitor protection of various stakeholders' interest. The board has an ESG sub-committee which is entrusted with the responsibility of monitoring progress on key ESG initiatives and goals, and guide the management on future strategy. Stakeholder engagement and consultation on an ongoing basis is carried out by the management team and various departments working with them. The management team is entrusted with the responsibility of sharing, progress on various KPIs and key developments & exceptions pertaining to various projects/work streams flowing from various stakeholder interests, with the Board/ESG committee.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topic? (Yes/No)

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The Company conducted its materiality assessment exercise by incorporating the feedback of both internal and external stakeholders for identifying the key material topics for the company. The company's initiative on school development related work in Chennai is an example of an initiative wherein stakeholder (community) inputs were used to direct CSR spending towards such causes. Some of the initiatives undertaken were as under:

Chennai:

- Supporting schools in Chennai (Tamil Nadu) on water, sanitation and hygiene since 2015. It identifies a few schools every year and not only builds toilets but continues to maintain these over the years.

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

Sona Comstar through its Corporate Social Responsibility (CSR) initiatives engages with the local communities of Gurgaon, Haryana and Chennai, Tamil Nadu to improve the basic infrastructure facilities in the Government Schools to improve the standard of education and increase participation of students especially girl child. The company engages with stakeholder groups based on their needs and provide support to them, whatever extent possible and feasible through its community development initiatives and social development programs.

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

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

Category	Current FY 2023-24			Previous FY 2022-23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Permanent	1,363	1,363	100%	1,043	1,020	98%
Other than permanent	4	4	100%	0	0	0%
Total Employees	1,367	1,367	100%	1,043	1,020	98%
Workers						
Permanent	309	309	100%	332	281	85%
Other than permanent	2,998	2,998	100%	2,689	2,631	98%
Total Workers	3,307	3,307	100%	3,021	2,912	96%

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

Category	Current FY 2023-24					Previous FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	1,363	0	0%	1,363	100%	1,043	0	0%	1,043	100%
- Male	1,258	0	0%	1,258	100%	991	0	0%	991	100%
- Female	105	0	0%	105	100%	52	0	0%	52	100%
Other than Permanent	4	0	0%	4	100%	0	0	0%	0	0
- Male	4	0	0%	4	100%	0	0	0%	0	0
- Female	0	0	0%	0	0%	0	0	0%	0	0
Permanent	309	0	0%	309	100%	332	0	0%	332	100%
- Male	275	0	0%	275	100%	299	0	0%	299	100%
- Female	34	0	0%	34	100%	33	0	0%	33	100%
Other than Permanent	2,998	549	18%	2,449	82%	2,689	548	20%	2,141	80%
- Male	2,855	448	16%	2,407	84%	2,669	545	20%	2,124	80%
- Female	143	101	71%	42	29%	20	3	15%	17	85%

3. Details of remuneration/ salary/ wages, in the following format for FY 2023- 24*:

a. Median remuneration/ wages:

	Male		Female	
	Number	Median salary/ wage of respective category (in million)#	Number	Median salary/ wage of respective category (in million)#
Board of Directors (BoD)	6	7.22	2	3.57
Key Managerial Personnel	3	30.20	0	0
Employees other than BoD and KMP (Permanent)	1,119	0.90	57	0.78
Workers (Permanent)	266	0.77	8	0.79

c. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	Current FY 2023-24	Previous FY 2022-23
Gross wages paid to females as % of total wages (permanent employees and worker)	3.98%**	3.86%**

*India Specific data

** Closing CTC of female / Closing CTC of all Permanent employees and Permanent workers.

Doesn't include ESOP perquisite value

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

Yes, Sona Comstar has set a policy on Privacy and “Fair Work Practice Guidelines” and the concerns around this is can be reported at speakup.sbpl@soncomstars.com. In FY 2023- 24, there was no case nor any concern reported on human rights related issues.

Nodal Officers:

- Ms. Arunima Mohanty, Senior GM- HR (Driveline Business)
- Mr. Ramesh V, Associate Vice President - HR (Motor Business)

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

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

- POSH Policy
- Code of Conduct and Business Ethics for Employees
- Fair Work Practice Guidelines & Memorandum of Understanding
- Privacy Policy
- Code of Conduct for Vendors
- Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Other Employees
- Policy to Promote Diversity on the Board of Directors

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

	Current FY 2023-24			Previous FY 2022-23		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in the following format:

	Current FY 2023-24	Previous FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Sona Comstar has a “Prevention of Sexual Harassment at Workplace (POSH) Policy” in place. The Company has constituted Internal Committee (IC) for each location in India under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Under the POSH Policy, IC has an obligation to ensure that a person who lodges a complaint in good faith and without malice is protected is not victimised for doing so. The Company is committed to handling matters regarding sexual harassment with sensitivity and confidentiality throughout the redressal process. In addition to this,

- We ensure that all new joiners undergo POSH training and a quick assessment during their phase of induction (includes all category of employees & workers), and a declaration form is also signed by them.

- The existing employees undergo refresher training every year, followed by an assessment covering important aspects of the policy.
- Posters on POSH covering IC Member details (Mail id and Contact number) and examples/scenarios of POSH are displayed across the organisation for awareness.
- We encourage them to take a quick quiz related to POSH to self- assess their awareness on POSH.

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

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

10. Assessment for the FY 2023- 24:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties) *
Child Labour	100%
Forced/ Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

* The Above assessment is done by the company internally as well as by OEMs as part of their audit from time to time.

11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Qs. 9, above.

No significant human rights related risk nor concern was identified during the assessment.

Leadership Indicators

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

The Company strives to uphold the basic principles of human rights in all its operations. This is in alignment with its codes and policies. The company regularly sensitizes its employees on the Code of Conduct, human rights, and freedom of associations through various training and awareness programs. The Company is also updating many of its customers on these compliances as part of contractual framework with them During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints.

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

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

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

Certain parts of the premises/offices are accessible to differently abled visitors.

4. Details on assessment of Value Chain Partners:

	% of value chain partners (by value of business done with such partners) that were assessed:
Child Labour	Sona Comstar integrates its sustainable and responsible supply chain requirements in its vendor identification and procurement process. The company's Vendor Code of Conduct and Green Procurement Guidelines clearly demonstrate company's commitment towards ethical dealing, responsible business, sustainable procurement, resource optimisation, and social commitments; embedded in the business agreement for digital acceptance by all potential suppliers. Company's procurement team ensures vendors accept the Vendor Code of Conduct and comply with all regulations, maintaining a tracking and monitoring system for this purpose.
Forced/ Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	

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

No significant risk was identified during the reporting period.

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

Essential Indicators

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

Parameter	Current FY 2023-24	Previous FY 2022-23
From 'Renewable Sources' (in Gigajoules)		
Total Electricity Consumption (A)- Solar	6,985	6,930
Total Fuel Consumption (B)	0	0
Energy consumption through Other Sources (C)	0	0
Total Energy Consumption from renewable sources (A+B+C)	6,985	6,930
From 'Non-Renewable Sources' (in Gigajoules)		
Total Electricity Consumption (D) – Grid	274,345	238,600
Total Fuel Consumption (E)	76,827	65,570
Energy consumption through Other Sources (F)	0	0
Total Energy Consumption from non-renewable sources (D+E+F)	351,172	304,170
Total Energy Consumption (Renewable + Non-Renewable)	358,157	311,100
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.0000112/Rupee	0.0000117/Rupee
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity[#] (Total energy consumed/ Revenue from operations adjusted for PPP)	0.0002573/\$	0.0002681/\$
Energy intensity in terms of physical output *	0.0084155	0.0083867

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.

*Though Energy intensity for total number of units sold by the company has been given above as required by the BRSR format, this may not be correct representation of "energy intensity by physical output" across different years as multiple products made by the company are not comparable using a common unit of measurement.

[#]The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Yes/No)

If "Yes", disclose whether targets set under the PAT Scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable.

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

Parameter	Current FY 2023-24	Previous FY 2022-23
Water withdrawal by source (in kilolitres- KI)		
(i). Surface Water	0	0
(ii). Groundwater	0	9,061
(iii). Third Party Water	130,342	116,629
(iv). Seawater/ Desalinated water	0	0
(v). Others	390	447
Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)	130,732	126,137
Total volume of water consumption (in KL)	130,732	126,137
Water intensity per rupee of turnover (water consumed/ turnover)	0.0000041/Rupee	0.0000048/Rupee
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	0.0000939/\$	0.0001087/\$
Water intensity in terms of physical output *	0.0030718	0.0034004

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.

*Though Water intensity for total number of units sold by the company has been given above as required by the BRSR format, this may not be correct representation of "water intensity by physical output" across different years as multiple products made by the company are not comparable using a common unit of measurement.

4. Provide the following details related to water discharge:

Parameter	Current FY 2023-24	Previous FY 2022-23
Water discharge by destination and level of treatment (in kiloliters)		
(i). To Surface Water		
- No treatment		
- With treatment- please specify level of treatment		
(ii). To Ground Water		
- No treatment		
- With treatment- please specify level of treatment		
(iii). To Seawater		
- No treatment		
- With treatment- please specify level of treatment		Not Applicable
(iv). Sent to Third Parties		
- No treatment		
- With treatment- please specify level of treatment		
(v). Others		
- No treatment		
- With treatment- please specify level of treatment		
Total water discharged. (in kilo-liters)		

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If "Yes", provide details of its coverage and implementation.

Yes. Sona Comstar has a Zero Liquid Discharge (ZLD) mechanism at its Gurgaon site having an operational capacity of treating 50 KLD (Kilo Liter per day) of wastewater for reusing within the premise. MBR and Conditioning unit with High Recovery RO Membrane based Recycling System is installed in the ZLD plant to treat High TDS water. At Chennai site, Effluent Treatment Plant (ETP) is available and waste coolant from shop floor machines and floor cleaning water are the inlet of ETP and the treated wastewater from ETP is fed to Evaporator to achieve ZLD.

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

Parameter	Please specify unit	Current FY 2023-24	Previous FY 2022-23
NOx	Ng/Nm3	73	122
SOx	Ng/Nm3	2	3
Particulate Matter (PM)	Ng/Nm3	23	32
Persistent organic pollutant (POP)			
Volatile organic compounds (VOC)			Not applicable
Hazardous air pollutant (HAP)			

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.

Footnote: Data pertains to Sona Comstar's Gurugram plant location.

7. Please provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Please specify unit	Current FY 2023-24	Previous FY 2022-23
Total Scope 1 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	3,845	3,316
Total Scope 2 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	54,472	45,152
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ / rupee	0.0000018/Rupee	0.0000018/Rupee



Parameter	Please specify unit	Current FY 2023-24	Previous FY 2022-23
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 & 2 emissions/ Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ / adjusted for PPP	0.0000419/\$	0.0000418/\$
Total Scope 1 and Scope 2 emission intensity in terms of physical output *		0.0013703	0.0013066

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No). If “Yes”, name the external agency.

*Though Emissions intensity for total number of units sold by the company has been given above as required by the BRSR format, this may not be correct representation of “emissions intensity by physical output” across different years as multiple products made by the company are not comparable using a common unit of measurement.

8. Does the entity have any project related to reducing Greenhouse gas emissions?

If “Yes”, then provide details.

Sona Comstar acknowledges its commitment towards reducing environmental footprint, especially reducing GHG emissions and the company has taken several initiatives on clean technology, energy efficiency, renewable energy, and sustainability development such as generation of electricity through renewable resources and Installation of Solar capacity across plants and facilities. Total solar capacity increased from 1,505.8 kWp in 2021-22 to 1,975 kWp in 2022-23 to 2,934.5 kWp in 2023-24; the percentage of green energy increased from 3.17% in FY2023 to 3.95% in FY 2024 for Driveline Division. Sona Comstar have signed agreement to setup 18.85 MWp capacity offsite solar power plant in Haryana and Maharashtra. In the year 2023-24, in Chennai plant, a project of replacing the banned R22 refrigerant by R407C was successfully implemented and total gas replaced was 219 kgs and total AC capacity 320 TR.

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

Parameter	Current FY 2023-24	Previous FY 2022-23
Total Waste Generated (in metric Tonnes)		
Plastic Waste (A)	98	131
E-Waste (B)	0.56	11
Bio-medical Waste (C)	0.02	1
Construction and Demolition Waste (C&D) (D)	0	0
Battery Waste (E)	0.54	6
Radioactive Waste (F)	0	0
Other Hazardous Waste generated (G) (Please specify, if any)	682	350
Other Non-Hazardous Waste generated (H) (Please specify, if any)	18,769	16,062
Total Waste Generated (A+B+C+D+E+F+G+H)	19,550	16,561
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations)	0.0000006/Rupee	0.0000006/Rupee
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP)	0.0000140/\$	0.0000143/\$
Waste intensity in terms of physical output	0.0004594	0.0004465
Waste intensity (optional)- the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category Waste		
(i). Recycled	18,887	16,212
(ii). Re-used	31	19
(iii). Other recovery operations	0	0
Total	18,918	16,231
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste		
(i). Incineration	448	55
(ii). Landfilling	184	58
(iii). Other disposal operations	0.003	74
Total	632	187

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency.

*Though Waste intensity for total number of units sold by the company has been given above as required by the BRSR format, this may not be correct representation of “waste intensity by physical output” across different years as multiple products made by the company are not comparable using a common unit of measurement.

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

The Company recycles its Hazardous & Non-Hazardous waste product through authorised recyclers. Further, all relevant plant locations have Wastewater Treatment Plant (WWTP) which is a combination of Effluent treatment plant (ETP) and Sewage treatment plant (STP). With the implementation of Reduce, Reuse and Recycle principles we were able to improve our water efficiency in Driveline Division.

An interconnected network of pipes and pumps with a metering system has been laid at our Manesar and Gurgaon units to collect more than 5 Lacs litres of AC drain water for reuse.

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

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Yes/No) If “No”, the reasons thereof and corrective action taken, if any.
	None of Sona Comstar facilities are in or around ecologically sensitive zone.		

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current FY 2023-24:

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
Not applicable.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Yes/ No). If “Not”, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which is not compliant	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken if any
1	Extended Producer Responsibilities (EPR) under the Plastic Waste Management Rules, 2016	The Company is in process to obtain registration under EPR Regulations and make required compliance thereunder.	None	Submission of application for centralised EPR registration is delayed, due to technical glitches on the website of the concerned authorities, the same is still in process.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of ‘Water Stress’ (in kilo litres):

For each facility/ plant located in areas of water stress, provide the following information:

- i. Name of area
- ii. Nature of operations
- iii. Water withdrawal, consumption, and discharge in the following format:

Parameter	Current FY 2023-24	Previous FY 2022-23
Water withdrawal by source (in kilo litres)		
(i). Surface Water		
(ii). Ground Water		
(iii). Third Party Water		
(iv). Seawater/ Desalinated Water		
(v). Others		Not applicable
Total volume of water withdrawal (in KL)		
Total volume of water consumption (in KL)		
Water intensity per rupee of turnover (Water consumed/ Turnover)		



Parameter	Current FY 2023-24	Previous FY 2022-23
Water discharge by destination and level of treatment (in Kilo litres)		
(i). To Surface Water		
- No treatment		
- With treatment- please specify level of treatment		
(ii). To Ground Water		
- No treatment		
- With treatment- please specify level of treatment		
(iii). Sent to Third Party Water		
- No treatment		Not applicable
- With treatment- please specify level of treatment		
(iv). Into Seawater		
- No treatment		
- With treatment- please specify level of treatment		
(v). Others		
- No treatment		
- With treatment- please specify level of treatment		
Total water discharged. (in kilo-litres- Kl)		

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.

2. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Please specify unit	Current FY 2023-24	Previous FY 2022-23
Total Scope 3 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		Not available
Total Scope 3 emissions per rupee of turnover			

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.

3. With respect to the ecologically sensitive areas reported in Qs. 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.
Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the Initiative
1	Solar Plant	During the year, the Company added 959.5. Kwp and the total capacity increased to 2,934.5 Kwp capacity.	Increase in Green energy/ Reduction in GHG emissions
2	ZLD Plant	50 KLD capacity	Capacity Reduction in freshwater intake
3	Installation of Variable frequency drive in 1000 cfm Air compressor	Installation of Variable frequency drive in Sullair make Air Compressor	Saving: 61,000 kWh / Year
4	Replacement of Old gen A/Cs by energy efficient units.	Replaced total 35 TR capacity of old generation air conditioners by energy efficient units.	Saving: 26,000 kWh / Year
5	Installation of Energy efficient HVLS fans	In Chennai plant, 12 number of 1 kW each, 1 HVLS fans in the shopfloor and the standalone fans in the machines were removed; capacity reduced from 25kW to 12kW.	Saving: 22,000 kWh / Year
6	Air Quality Improvement in closed premises	Installed a project in EDM section of tool and die shop in Gurgaon plant to improve air quality. Three air quality parameters are targeted to improve are: • Carbon monoxide. • PM 2.5. • TVOC (Total volatile organic compounds).	Carbon Monoxide levels reduced by 98% TVOC levels reduced by 56.7% PM2.5 levels reduced by 39%

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web-link.

Sona Comstar has an emergency procedure integrated into its management system for dealing with emergency situations, minimising hazards to environment and human health. A list of potential emergency situations has been identified and the roles and responsibilities of all concerned personnel are also defined to handle the emergencies effectively. The safety officer is responsible for mock drills which are conducted at 6 months intervals whereas safety drills are conducted at 2 months intervals or as per plan to evaluate emergency preparedness. Training and awareness sessions are conducted for the employees and emergency handling teams to prepare them for actual emergency situations

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

There were no areas/materials in the value chain of the entity which have been identified as having significant adverse impact on the environment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. (a). Number of affiliations with trade and industry chambers/ associations.

Six (6)

(b). List the top 10 trade and industry chambers/ associations (determined based on the total numbers of such body) the entity is member of/ affiliated to.

S. No.	Name the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Confederation of Indian Industries (CII)	National
2.	Automotive Component Manufacturers Association (ACMA)	National
3.	Association of Indian Forging Industry (AIFI)	National
4.	Indo American Chamber of Commerce	National
5.	Gurgaon Chamber of Commerce and Industries (GCCCI)	State
6.	Employers Federation of Southern India (EFSI)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the Case	Corrective action taken
		There are no instances of anti-competitive behavior undertaken by the Company and therefore there are no corrective actions taken or underway on any issues related to anti-competitive conduct, by the regulatory authorities against the Company.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Name the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)	Reach of trade and industry chambers/ associations (State/ National)	Reach of trade and industry chambers/ associations (State/ National)	Reach of trade and industry chambers/ associations (State/ National)
					Nil

Principle 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current FY 2023-24:

Name and brief detail of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No)	Relevant web-link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)	Reach of trade and industry chambers/ associations (State/ National)	Reach of trade and industry chambers/ associations (State/ National)	Reach of trade and industry chambers/ associations (State/ National)	Reach of trade and industry chambers/ associations (State/ National)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Sona Comstar has not instituted any formal structure for local community grievance, however in case there is a concern or grievance, the same can be logged with the CSR team or the Company’s representative for the respective project and adequate action will be taken, as deemed appropriate by the CSR team of the Company. Further, any aggrieved person can express their concerns through the annual feedback/ impact assessment exercise or on as and when required basis.

4. Percentage of input material (input to total inputs by value) sourced from suppliers:

	Current FY 2023-24	Previous FY 2022-23
Directly sourced from MSMEs/ Small producers	35%	44%
Directly from within India	85%	83%

5. Job creation in smaller towns: Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of the total wage cost:

Location	Current FY 2023-24*	Previous FY 2022-23*
Rural	4%	4%
Semi-Urban	-	-
Urban	96%	96%
Metropolitan	-	-

Note: Place to be categorised as per RBI Classification System- rural/ semi-urban/ urban/ metropolitan

*The population in the aforementioned locations was chosen using data from the 2011 census, and the locations were classified in accordance with RBI rules.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference Qs. 1 of Essential Indicators, above).

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (in INR.)
Not applicable.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/ vulnerable groups? (Yes/No)

No

(b) From which marginalised/ vulnerable groups do you procure?

Not applicable

(c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current FY 2023-24), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit Shared (Yes/ No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalised groups
1	Contribution to Centre for Innovation Incubation and Entrepreneurship (CIIE Initiatives-IIMA)	Community at large	
2	Construction/renovation and maintenance of basic infrastructure in Government School in Tamil Nadu	5,459 students	100%
3	Contribution to Foundation for Innovation and Technology Transfer (FITT)- “Sona-Comstar – IIT-Delhi Innovation in Mobility Program-Incubators-FY 2024”	Community at large	
4	Sona Comstar Scholarship with Ashoka University for Ashoka University Scholars	15 women	100%
5	Sona Comstar Tata Strive Skill Development Centre in Chennai*	12 students	100%
6	Sona Comstar-Digital Literacy Centres by Youthreach*	39 Students	100%

Note: *These projects were approved and initiated in the middle of the financial year. Hence, the data for the beneficiaries of the projects, are considered only till the period ended 31st March 2024.

Principle 9: Business should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Sona Comstar is predominantly a B2B company and sells its products predominantly to large OEMs. Sona Comstar ensures on time delivery in full to all its customers based upon the schedules shared by them. In case of any complaints, customers can raise the complaint with the Company’s representative or send their complaints in mail to the company for addressing the grievance/ concern.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

Parameters	As percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Nil
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	Current FY 2023-24		Remark	Previous FY 2022-23		Remark
	Received	Pending at end of year		Received	Pending at end of year	
Data Privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Customer Complaints	Nil	Nil	-	Nil	Nil	-



4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Recalls	Nil	Not applicable
Forced Recalls	Nil	Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No).

If available, provide a web-link of the policy.

Sona Comstar has established information security policy to protect itself against the cyber security and data privacy risks and ensure appropriate procedures to mitigate these risks in a timely manner. The approach is based on the International Standard ISO/IEC 27001 INFORMATION SECURITY MANAGEMENT. Sona Comstar has implemented a framework in the third-party risk Management for all its vendors to comply with the IT security procedures as per Sona Comstar guidelines which is also part of their Non-Disclosure Agreement (NDA).

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services, cyber security, and data privacy of customers; re-occurrence of instances of product recalls, penalty/ action taken by regulatory authorities on safety of products/ services.

Nil

7. Provide the following information relating to data breaches:

(a). Number of instances of data breaches:

0

(b). Percentage of data breaches involving personally identifiable information of customers.

0%

(c). Impact, if any, of the data breaches.

Nil

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if possible)

All information is accessible on the company's website: <https://sonacomstar.com/> SONA LinkedIn page also offers information and regular updates about the products and services

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

Sona Comstar is a B2B company and sells its products to larger OEMs predominantly. Sona Comstar while entering the business with its customers makes a declaration that they are REACH or IMDS compliant. They also perform business validation compliance as part of product development. This gives assurance to the customers about the product composition and safety. Further, for safe shipping of products, dimension and weight of packaging are mutually signed off by Sona Comstar and customer as per the global standards

3. Mechanism in place to inform consumers of any risk of disruption/ discontinuation of essential services.

Not applicable

4. a. Does the entity display product information on the product over and above what is mandated as per the local laws? (Yes/ No/ Not Applicable).

If "Yes", provide details in brief.

b. Did your entity carry out any survey about customer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No).

- a. Sona Comstar complies with all applicable regulations with respect to product information disclosure.
- b. The company regularly carries out customer satisfaction survey to gauge the feedback of the customers on their products and services as well as read the ever-changing market trends and customer needs and aspirations. The customer scorecard survey demonstrates a satisfied customer base and brand loyalty towards our company, which is a result of the company's continued innovation, customer-first approach, and high-quality standards approach.

CSR Impact Assessment FY 2023-24

SECTION 1: EXECUTIVE SUMMARY

This is a report on the Impact of the CSR activities undertaken by Sona Comstar in the FY 2023-24. The CSR Impact Assessment exercise is based on the guidelines provided in:

1. The Companies Act 2013 Schedule VII, Sec 135
2. Bureau of Indian Standards (BIS) IS/ISO 26000:2010 Guidance on Social Responsibility
3. UN Sustainable Development Goals

Sona Comstar CSR interventions consist of six pillars aimed at strengthening and reinforcing the nation and society. The company has a well-defined and robust governance structure to oversee the implementation of the CSR policy outlined by the Board of Directors and monitor CSR projects as per the requirements of Section 135 of The Companies Act-2013. The Sona Comstar CSR projects for FY 2023-24 are assessed under 2 thematic areas.

Thematic Area	Schedule VII list	Implementing Partners & Beneficiaries
Sona Comstar-Samridh Bharat: This program focuses on creating an enduring prosperity through environmental sustainability, ecological balance, and conservation of natural resources. Support projects to promote innovations, incubations and collaborate and contribute to programs launched by universities and institutions of eminence to promote innovation driven startups in technology.	(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.	i. Foundation for Innovation and Technology Transfer (FITT) Sona-Comstar IIT Delhi Innovation in Mobility Program ii. Centre for Innovation Incubation and Entrepreneurship (CIIE Initiatives-IIMA)
Sona Comstar -Saksham Bharat: This Program shall focus on measures like providing employability and promotion of skill development programs for the rural youth in numerous modules; empowering woman through self-help groups and promotion of livelihood and employment opportunities; promoting education, employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement; promote gender equality, empowering women, setting up homes and hostels for women and orphans etc.	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	i. Govt. School in Tamil Nadu Construction/ renovation and maintenance of basic toilet complex in 8 schools ii. International Foundation for Research & Education (Parent body of Ashoka University) Sona Comstar Scholarships for 15 Women scholars in STEM at Ashoka University iii. Sona Comstar Tata Strive Skill Development Center in Chennai iv. Setting up of digital literacy center's in Manesar and Gurgaon for the youth with Youthreach.

Sona Comstar's CSR projects also contribute to the following UN Sustainable Development Goals:



- End poverty in all its forms everywhere.
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- Take urgent action to combat climate change and its impacts.



Six Number of Projects and Beneficiaries

Project 1: Sona Comstar's IIT Delhi Innovation in Mobility Project

Number of beneficiaries – 9 Startups

- Motorama EV:** A Specialist Motor Designing and Development Lab working on Advance Motor Technology.
- Octarange Technologies:** Battery Technology Development company with core focus on smart, safe and sustainable battery packs for Electric Vehicles and Energy Storage Applications.
- Calvem Energy:** Calvem Energy makes high performance motors and controllers for electric vehicles. Calvem currently caters to two wheelers and high speed three wheelers, the modular scalable design ranges from 3Kw to 8KW.
- Aatral ESP (Undergoing Tech DD):** NASICON based sodium-ion cells technology offers a more affordable, sustainable, and safer alternative to lithium-ion batteries, making them a promising solution for the future of energy storage.
- Dopar Energy (Undergoing Tech DD):** Dopar Energy is working on building controllers for axial flux and BLDC motors.
- Quanteon Powertrain:** E-Axle with the motor with its unique design will be highly optimised and efficient as

electrical and mechanical losses currently existing in radial flux powertrains would be reduced/ no longer exist.

- inGO Electric:** inGO electric is working on the technology of retrofit solutions using a CVT based powertrain.
- Creatar Mobility:** A modular vehicle platform with a battery stack that is removable, enabling charging from the nearest charging outlet with minimal effort.
- P3C Technologies:** Development of Integrated Perovskite Solar cell on metal and plastic parts of a car.

Project 2: Centre for Innovation Incubation and Entrepreneurship at the IIMA

Number of beneficiaries = 2 startups

- Guerin Aerospace:** Composite materials aerospace company flexible composites with high strain capacity which simplifies intricate space mechanism.
- NABH Drishti Aerospace:** Developing and designing small gas turbine engines in the range of 300 and 1000 SHP based on clean fuel technology.

Long term impact for project is:

- Estimated 100+ direct jobs creation over the period of 5 years.
- 0.6 million people directly influenced by technology developed over the course of 5 years.
- Guerin aims to employ 300+ highly skilled workforce over the period of the next 10 years.

Project 3: Supporting 8 Government Schools in Tamil Nadu

CSR School name	Location	Boys	Girls
1 Government Higher Secondary School	MM Nagar	338	258
2 Government Higher Secondary School	Vandalur	454	374
3 Government Higher Secondary School	Nellikuppam	328	348
4 Government Higher Secondary School	Singaperumal Koil	396	340
5 Government Girls Higher Secondary School	Padappai	-	1,212
6 Government Higher Secondary School	Manampathi	339	150
7 Government Higher Secondary School	Chunambedu	254	190
8 Government Higher Secondary School	Sembakkam	218	260
Total		2,327	3,132
Grand Total		5,459 students	

Project 4: Sona Comstar Scholarships at Ashoka University

15 women scholars from the UG batch of 2022-25 are being supported with different percentages of fee waiver from the Sona Comstar grant.

Project 5: Youthreach

- Begumpur Khatola (Gurgaon) = 35 students enrolled (for the current batch).
- Expected for FY2024-25 = 100 students.
- Manesar = 4 students enrolled (more students to be added in the upcoming months).

Project 6: Tata Strive Skilling Centres

- BFSI Course:** 12 students (1 Male, 11 Female) enrolled and registered. In total 60 students will be trained in FY-24, and 100 students in FY 25.
- CNC Course:** To be started in May/June 2024 with a target to train 250 students in 3 years which includes placements. Target for Y1 = 50, Y2 = 100, Y3 = 120. The plan is to ensure 90% female students for the course. Tata Strive and Sona Comstar will issue certificates for this program.
- Front Office Associate:** To be started in May/June 2024 June. 40 students to be trained in FY 24, and 60 students in FY 25. The Taj/Tata Group will issue certificates for this program.

Best Practices

- 4 of the 6 projects for FY 2023-24 are ongoing projects and are in their 2nd year of support from Sona Comstar. This demonstrates Sona Comstar's commitment to sustaining social and environmental change over a period and signifies a dedication to long-term investment in transformative initiatives. Business incubators support the development of start-ups by providing them with advisory and administrative support services. According to the International Business Innovation Association, an incubator's primary objective is to produce successful and financially viable firms that can survive on their own.
- The two start-ups identified by CIIE & nine startups at FIIT-IITD have greatly benefited from Sona Comstar's CSR Project grants as well as the mentorship provided by the Sona Comstar leadership. The startups incubated at CIIE IIMA and FIIT-IITD continue to get guidance from Sona Comstar leadership for the 2nd year offering valuable insights into the skills essential for commercialisation of their innovative concepts for which they have been selected. Like with any incubator, the risk of failure in investing in new ideas is high. Therefore, the CIIE & FIIT projects efficiency & effectiveness is moderate, with some scope in improving the timelines for taking decisions.
- Unemployment is a critical issue that continues to challenge the economic landscape of India. As one of the world's most populous nations with a diverse workforce, fluctuations in the unemployment rate have far-reaching implications for the country's growth and development. In this context, Sona Comstar's project with Tata Strive & Youthreach are very relevant. Recognising the urgent need for skilling of youth in India, Sona Comstar's support to 2 implementing partners Tata Strive & Youthreach in 3 different urban areas in India addresses the issue of employment which is critical for the growth of India.
- Under the Youthreach project, the trained youth and women will be awarded the NIIT Certificate which will enable them to compete and find suitable employment opportunities at the entry level, wherein having an NIIT certificate will give them an edge.
- Sona Comstar Tata Strive Skill Development Center in Chennai is set up to conduct employment linked skills training for underprivileged youth (especially women) in the automotive sector near one of its plant locations in Chennai. By focusing on underprivileged youth and providing them with opportunities for skill development and job placement, the program contributes to sustainable community development, empowering individuals to become self-sufficient and economically independent.
- Continuing to provide scholarship to 15 girl students has played a pivot role in incentivising girl students to pursue STEM education at Ashoka University This initiative not only promotes educational opportunities but also contributes to the broader support for gender

equity in STEM education. The scholarship is for a total of 3 years FY 23-24 being the 2nd year)

- The Sona Comstar school projects continue to have a high impact and are relevant. Continuing to maintain the 7-toilet complex built in the previous years as well as the new toilet complex built in FY 23-24 in the Government Schools in Tamil Nadu ensures the sustainability of this CSR investment in Health & sanitation. The well-maintained toilet complexes contribute to a clean school premises ensuring continued education, especially for girl students. The Project provides for segregated toilets for boys & girls, cleaning supplies, support staff for maintenance of toilets and renovation of school facilities. The projects' efficiency & effectiveness is high, with the spending on the requirements well planned and documented.

Recommendations

- Employability skills are essential for personal and professional success. They not only make individuals more marketable but also enable them to adapt to the ever-changing job market, excel in their careers, and contribute positively to their workplaces and communities.

While the Tata Strive project has built in key indicators of employment as deliverables, it is recommended for Youthreach to also do the same apart from the documenting the number of students trained.
- It is recommended to initiate or participate in other studies on the effect of good toilets on attendance level. Also, it is recommended that the objectives of these initiatives be aligned with National programs. For example, the school programs can be aligned to Swachh Bharat: Swachh Vidyalaya and the impact metrics of the project can be aligned to contribute to national development indicators.
- Innovation startups face the risk of their inability to sustain business operations. In order to mitigate the risk, it is recommended to help startup leverage other network for additional business progression and catalytic support.

In order to address delays in implementation/ manufacturing effectively, it is recommended to consider implementing quarterly reporting calendars with the startups to promptly identify and resolve issues.
- The Sona Comstar leadership is suggested to discuss the timelines on how long Sona Comstar intends maintaining the school toilets.
- The major challenge faced by digital learning centers is finding good quality trainers because of the locations and mobilising youth above 16 years of age. The socioeconomic backgrounds of these age groups of people make them find low-wage jobs at a young age, thereby ignoring the importance of skill updation. Since trainers are crucial for the success of these two skilling programs, it is recommended to build in a pipeline of trainers in the early stages of the project.

**Rating of the Sona Comstar CSR Programs**

Based on the proprietary scoring algorithm, BlueSky and InGovern have assessed the Sona Comstar CSR program with a **Platinum Category of CSR activities**.

The Platinum Category of the CSR program performance demonstrates:

- Sustainability Commitment
- Leadership Visionary on Social Responsibility
- Stakeholder Partnership and Multi-organisational Alliances

Signed by:

Shriram Subramanian
InGovern Research Services Pvt. Ltd.

In conclusion, Sona Comstar's CSR interventions and projects have a significant impact on society and the environment. Sona Comstar's contribution aligns with the Companies Act 2013, Schedule VII, Sec 135, and the UN Sustainable Development Goals. The overall purpose of the CSR Impact Assessment is for Sona Comstar to assess the benefits of its CSR efforts, and strive to maximise the impact of its CSR programs, increase the number of beneficiaries – both primary and secondary - thus ensuring societal good.

Jyotsna Belliappa
BlueSky Sustainable Business LLP

SECTION 2: BACKGROUND

CSR Impact Assessment is a process which is individual to the company and depends on factors such as the size of the company and its maturity in addressing the expectations of the community it operates in.

The purpose of the CSR Impact Assessment Report is for Sona Comstar to assess the impact of the activities of their CSR efforts, strive to maximize the impact of their CSR efforts and to identify areas for improvement and further engagement with the community.

About Sona Comstar

- Sona Comstar is a leading global manufacturer of automotive powertrain systems and components. With over three decades of experience in the industry, Sona Comstar has established itself as a trusted and reliable partner for some of the world's leading automakers.
- The company offers a wide range of products and services, including electric and hybrid powertrain solutions, transmission components, and precision forging and machining services. Their products are designed to meet the evolving needs of the automotive industry, which is rapidly transitioning towards electrification and sustainability.
- Sona Comstar operates from multiple state-of-the-art manufacturing facilities located in India, Mexico, and the United States, with a combined production capacity of over 8 million units per year. The company's commitment to quality and innovation is reflected in its certifications, including ISO 9001, ISO 14001, and IATF 16949.
- In addition to its core business of automotive powertrain systems, Sona Comstar is also involved in the development of next-generation technologies such as autonomous driving and connected vehicles. The company has a dedicated team of engineers and researchers who are working on cutting-edge solutions that will shape the future of mobility.

Sona Comstar CSR Policy

Sona Comstar's CSR interventions consist of six pillars aimed to strengthen and reinforce the nation and the society:

1. Samridh Bharat
2. Swasth Bharat
3. Surakshit Bharat
4. Saksham Bharat
5. Swachh Bharat
6. Stree Shakti Bharat

In addition, all other areas/activities as may be prescribed under Schedule VII of the Act or the Rules, as amended from time to time.

Sona Comstar has a well-defined and robust governance structure to oversee the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of The Companies Act-2013

<https://sonaComstar.com/files/documents/corporate-social-responsibility-policy-document-pOSeld.pdf>

Sona Comstar CSR Programs for Impact Assessment FY 2023-24

The six programs considered for the CSR Impact Assessment for FY2023-24 are:

1. Sona -Comstar IIT Delhi Innovation in Mobility Project by the Foundation for Innovation and Technology Transfer (FITT) at Indian Institute of Technology, Delhi.
2. Centre for Innovation Incubation and Entrepreneurship at the Indian Institute of Management, Ahmedabad (CIIE Initiatives-IIMA).
3. Government School in Tamil Nadu Construction/renovation and maintenance of basic infrastructure.
4. Sona Comstar Scholarships for Women scholars in STEM at Ashoka University.
5. Sona Comstar Tata Strive Skill Development Center in Chennai.
6. Setting up of Digital literacy centers in Manesar and Gurgaon for Youth with Youthreach

Scope of CSR Impact Assessment Exercise

- To assess the CSR Projects performance as per the pre-defined targets defined in the MoU signed with Implementing Agencies.
- To assess if the objectives of the projects have been met.

Sampling for Stakeholder Feedback & Engagement

- 13 Key Informant interviews
- 2 Focus Group Discussions

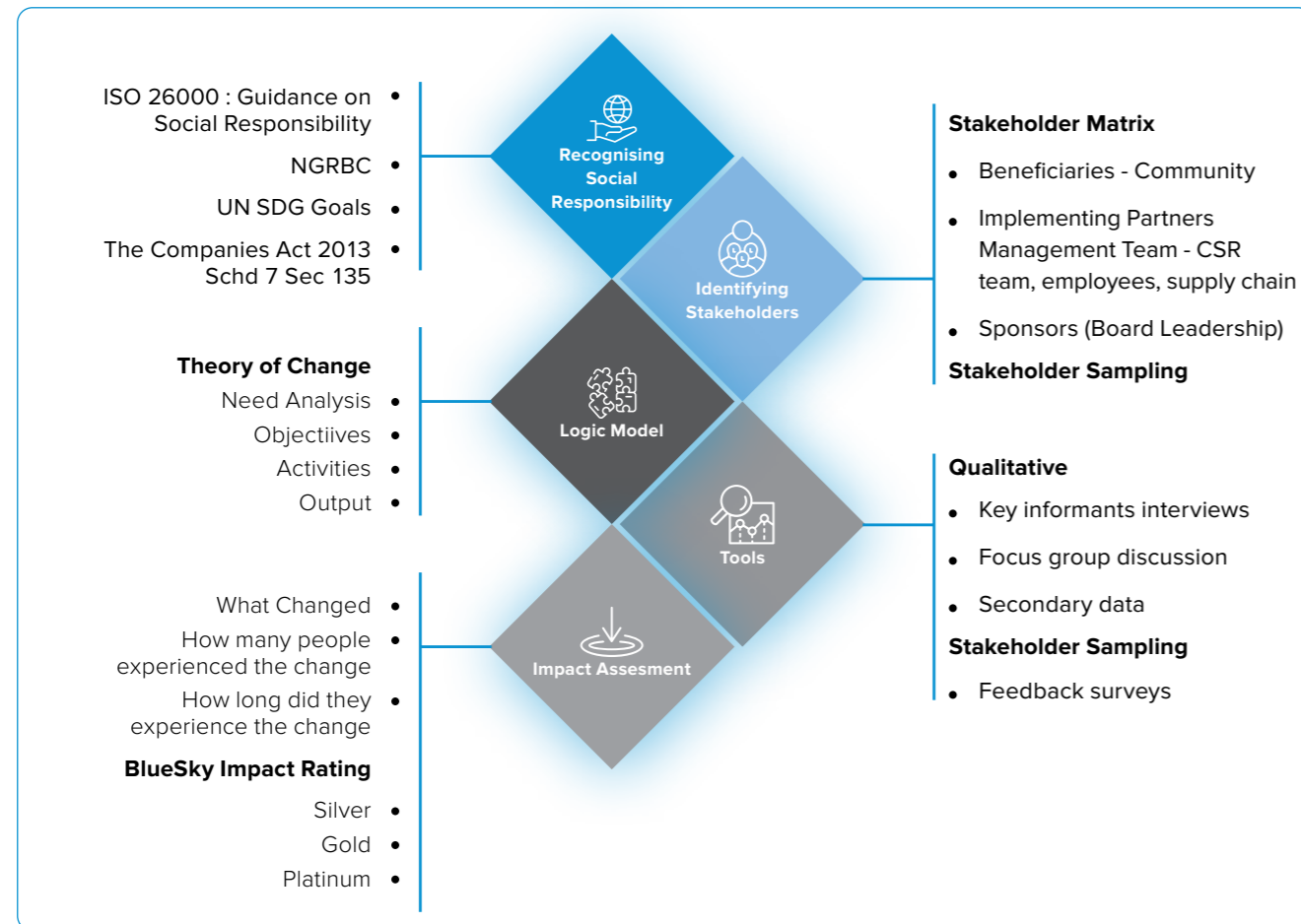
Rating of the Sona Comstar CSR Programs

Based on the proprietary scoring algorithm, BlueSky and InGovern have assessed the Sona CSR Programs with a Platinum Category of Performance of CSR Activity. The Platinum Category of the CSR Project performance demonstrates:

- Sustainability Commitment
- Leadership Visionary on Social Responsibility
- Stakeholder Partnerships and Multi-organisational Alliances

SECTION 3. IMPACT ASSESSMENT METHODOLOGY

BlueSky Accredited Quality Process



The analysis and findings of this report is based on the following process:

- Desk review of the existing data of the project being implemented. - Planning & implementation of the program, its monitoring processes of recognising social responsibility, identifying key stakeholders and beneficiaries.
- Stakeholder feedback from key stakeholders of the project – Beneficiaries of implementing partners, representatives of implementing partners, CSR team, etc. Qualitative feedback and Quantitative metrics have been collected through interactions and feedback from the key stakeholders and beneficiaries of the program.
- Documentary evidence on the activities, outputs and outcomes is as provided by the client.

The data so collected is triangulated to arrive at the impact of the CSR program.

Social Impact Definition

- **Outputs:** They are the Project activities we do or accomplish that help achieve outcomes.
- **Outcomes:** They are the short-term results, the delta difference brought about because of those activities for individuals, families, groups, or communities.

- **Impact:** is the long-term results of the same outputs. examines the significance of the intervention and its higher-level results, meaning how much it mattered to those involved.
- **Relevance:** The extent to which the Project Objectives and design respond to beneficiaries. The relevance is context specific to the geography or culture in which the intervention is being implemented.
- **Effectiveness:** The extent to which an intervention is achieving or has achieved its objectives. This includes whether an intervention has attained its planned results, the process by which this was done, which factors were decisive in this process and whether there were any unintended effects.
- **Efficiency:** The extent to which the project activities deliver, or is likely to deliver, results in an economic and timely way.
- **Sustainability:** The extent to which the net benefits of the intervention continue or are likely to continue.

InGovern Research Services

InGovern is a pioneer in corporate governance advisory and shareholder activism in India. Since 2010, InGovern has advised investors and Indian companies on governance matters, including on enhancing shareholder value through

better corporate governance practices. The vision and goal of InGovern is to advice and develop “purpose-led” Indian companies.

BlueSky Sustainable Business LLP

BlueSky is an Accredited Inspection Body for social service projects as per ISO/IEC 17020:2012, which specifies requirements for the competence of bodies performing inspection and for the impartiality and consistency of their inspection activities.

BlueSky is accredited by NABCB - National Accreditation Board for Certification Bodies, Quality Council of India to

conduct assessments of social projects. The BlueSky impact assessment inspection methodology and the consequent Impact assessment report & certificate conforms to the guidance available in:

- The Companies Act 2013 Schd VII, Sec 135 and its amendments.
- Bureau of Indian Standards (BIS) IS/ISO 26000:2010 Guidance on Social Responsibility
- UN Sustainable Development goals

SECTION 4: KEY FINDINGS

Theme 1: Samridh Bharat

Project 1: Sona Comstar IIT Delhi Innovation in Mobility Project

Name	Foundation for Innovation and Technology Transfer	
Name of Project	Sona Comstar IIT Delhi Innovation Program in Smart, Clean and Safe Mobility	
Address	3-A-1A, R&I Park, IIT Delhi, Hauz Khas, New Delhi, 110016	
Scope of work as per MoU	The program is designed to give support to entrepreneurs and Innovators who help create safe, convenient and clean mobility for everyone. The program will help create Innovative solutions by providing funding resources, infrastructure and expertise. The selection process shall happen every year through a specific application process.	
Project Locations	New Delhi, Bengaluru, Chennai, Pune	
Total CSR budget commitment by donor to the project	INR 12,512,295	
CSR Spend	Spend Year	Actual Expenditure
	2020-2021	INR 2,509,339
	2021-2022	INR 4,449,437
	2022-2023	INR 16,897,416
	2023-2024	INR 12,747,254
12A, 80G (copies)	12A & 80G available	
Project beneficiaries profile	<p>Motorama EV: A Specialist Motor Designing and Development Lab working on Advance Motor Technology. Bringing ideas from the Lab to the Production Floor.</p> <p>Octarange Technologies: Battery Technology Development company with core focus on smart, safe and sustainable battery packs for Electric Vehicles and Energy Storage Applications.</p> <p>Calvem Energy: Calvem Energy makes high performance motors and controllers for electric vehicles. Currently Calvem caters to two wheelers and high speed three wheelers, the modular scalable design ranges from 3KW to 8KW.</p> <p>Aatral ESP (Undergoing Tech DD): NaSICON based sodium-ion cells technology offers a more affordable, sustainable, and safer alternative to lithium-ion batteries, making them a promising solution for the future of energy storage.</p> <p>Dopar Energy (Undergoing Tech DD): Dopar Energy is working on building controllers for axial flux and BLDC motors.</p> <p>Quanteon Powertrain: E-Axle with the motor with its unique design will be highly optimised and efficient as electrical and mechanical losses currently existing in radial flux powertrains would be reduced/ no longer exist.</p> <p>inGO Electric: inGO electric is working on the technology of retro fitment solutions using a CVT based powertrain.</p> <p>Creatara Mobility: A modular vehicle platform with a battery stack that is removable, enabling charging from the nearest charging outlet with minimal effort.</p> <p>P3C Technologies: Development of Integrated Perovskite Solar cell on metal and plastic parts of a car.</p>	
Project beneficiaries	There are 9 startups who have benefitted from Sona Comstar grants	



Recognising Social Responsibility

Objective of CSR Project Undertaken	<ul style="list-style-type: none"> Improvements in EV technologies like extending range through battery capacity improvements, and battery management, fast charging infrastructure, efficient motors, mobile charging solutions for emergencies, etc. Vehicle diagnostic solutions to understand maintenance issues. Autonomous functions in vehicles especially pertaining to safety, and convenience. Innovative last mile connectivity solutions.
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Relevance of the Project

How is the project relevant to the chosen beneficiary group	The projects that are taken up are by the startups who are in their early stages and are looking forward for funds to work on R&D and building a prototype of the same.
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Mapping CSR Activities to National laws & Global goals

UN Sustainable Development Goals	SDG7 - Affordable and Clean Energy SDG12- Responsible consumption and production SDG13- Climate Action
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Any alignment with govt schemes & programs	<p>Sona Comstar IIT Delhi Innovation program in green mobility has as of date enabled Innovation in both the Technology layer and Application Layer for the startups in the E-mobility sector. In the technology layer, the program has supported Innovators working on advanced efficient motors, retro fitment solutions, advanced chemistry cell batteries.</p> <ol style="list-style-type: none"> Faster Adoption and Manufacturing of Hybrid & Electric Vehicles in India (FAME India) Scheme. Production Linked Incentive (PLI) Scheme for the Automotive Sector PLI Scheme for National Program on Advanced Chemistry Cell (ACC) Battery Storage
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Project Activities, Outputs and Outcomes

Activities	<p>Outreach for the fund has been done to take the program to the stakeholders including the founders, Investors and other Incubators working with startups in the green mobility space.</p> <p>The process of outreach for Sona Comstar IIT Delhi Innovation Program has been put in in the form of Mixer at two locations.</p> <ol style="list-style-type: none"> Green Tech Mixer - R&I park, IIT Delhi Green Tech Mixer - Draper Startup House, Hyderabad <p>The outreach process Involved FITT mentioning about the SCIDIP program and the thesis which reflects the objectives of the program and opening the call for Individuals to apply for the same.</p> <p>Post the Outreach is when the applications were screened, and the Top startups had to present the idea to the committee set up by FITT- IIT Delhi. The ideas were screened, and the startups were shortlisted accordingly as mentioned in the Minutes of the Meeting.</p>
Outputs (2023-24)	<p>Selection Day - Call 3 was the pitching day where-in the startups who have got short listed were as follows:</p> <ol style="list-style-type: none"> Motorama EV Private Limited Octarange Technologies Private Limited <p>Selection Day - Call 4 was the pitching day where-in the startups who were selected and are undergoing the due diligence are as follows:</p> <ol style="list-style-type: none"> Aatral ESP Private Limited Dopar Energy Private Limited <p>Attached progress reports of the startups in the SCIDIP portfolio</p> <p>Progress Reports - SCIDIP</p>
CSR Project Outcome for the period of reporting (2023-24)	<p>Creatarra Mobility has launched the prototype of the variant that they have built as part of the SCIDIP.</p> <p>The vehicle is planned to go through the homologation process. https://auto.economictimes.indiatimes.com/news/two-wheelers/iit-delhi-innovators-launch-e-bike/105722538</p>
List challenges and approach to address them	<ol style="list-style-type: none"> 1. Indigenous component manufacturing Since the nation is moving forward and promoting Made in India products, the E-mobility sector's supply chain vastly relies on the various components to be imported. This creates a dependency on Vehicle manufacturers to rely on Imported components. SCIDIP portfolio has startups like Motorama, Calvem, Qateon who are addressing this challenge and working on R&D and building a roadmap to manufacture components like that of Powertrains (motors and Controllers) in India. 2. Strong Technical Guidance requirement The startups are building in Deep Tech which often come with a vested time of R&D of at least a couple of years. FITT - IIT Delhi is working on providing the technological guidance by onboarding sectoral experts in the following domain from the academia, i.e IIT Delhi who act as project in charges and review the startup's progress on a quarterly basis and give them the right guidance.

Project Impact (Stakeholder Feedback)

- The incubation support initiative at FIITD has been instrumental in catalysing the growth and success of emerging startups, exemplified by the experiences of Motorama and inGO Electric. Through strategic guidance, financial assistance, and networking opportunities, FIITD has empowered these startups to innovate, scale, and thrive in competitive markets.
- Motorama, born out of IIT Delhi's incubator, exemplifies the transformative impact of incubation support on technological advancement and market penetration. With initial focus on repair services for EV motors and controllers, Motorama swiftly pivoted towards manufacturing, targeting the burgeoning EV and HVAC sectors. R&D initiatives, bolstered by funding from Sona Comstar and technical support from IIT Delhi, have propelled Motorama into the forefront of EV product development. Noteworthy accolades, including winning the UNIDO-BEE-GEF Innovation Challenge, underscore the significance of FIITD's incubation support in fostering innovation and recognition on a global scale.
- Similarly, inGO Electric, based in Bangalore, has thrived under the nurturing environment provided by FIITD. Specialising in retrofit solutions and micromobility, inGO Electric has leveraged efficient grant management and strategic funding to advance its project from conceptualisation to market readiness. CSR funding from Sona Comstar kickstarted the journey, paving the way for subsequent investments and strategic partnerships. The streamlined funding process, coupled with the strategic advantage gained through early-stage support, highlights the pivotal role of FIITD in accelerating the growth trajectory of startups like inGO Electric.
- Furthermore, the testimonies of founders Abhishek Gupta and Nikhil Gonsalves underscore the invaluable role of FIITD's incubation support in fostering a conducive ecosystem for startup success. From financial assistance to strategic guidance and networking

opportunities, FIITD has emerged as a cornerstone for entrepreneurial endeavours, providing startups with the resources and support necessary to navigate challenges and seize opportunities.

- In essence, the incubation support initiative at FIITD stands as a beacon of innovation and entrepreneurship, propelling startups towards success through strategic guidance, financial assistance, and networking opportunities. The transformative impact witnessed in Motorama and inGO Electric underscores the profound value of FIITD's incubation support in fostering technological innovation, market competitiveness, and sustainable growth in the startup ecosystem.

Our recent visits to IIT have been incredibly fruitful. It's a perfect place for networking with brilliant minds. During a recent investor meetup, we had the opportunity to engage with many significant figures. Being part of this vibrant community at IIT is truly inspiring and beneficial for us.

Abhishek Gupta, Founder, Motorama

Here at inGO Electric, we've experienced tremendous support, to the extent that in one milestone, they even disbursed funds before we submitted the required reports. This level of assistance has been invaluable. It's been an absolute pleasure working with FIITD.

Nikhil Gonsalves, Founder and CEO, inGO Electric

Project 2: Centre for Innovation Incubation and Entrepreneurship at IIMA

Set up at IIM Ahmedabad as a Centre of Excellence with support from the Government of India's Department of Science and Technology and Government of Gujarat, CIIE is the epicentre of The Innovation Continuum. It was established in 2002 as an entrepreneurship centre at IIM Ahmedabad. In 2007-08, CIIE launched and incorporated the technology business incubator. Over the years it diversified into entrepreneurship research and publications, accelerators, venture funds, learning tools and innovation partnerships.

Implementing Agency Details

Name	CIIE Initiatives
Name of Project	Dr. Surinder Kapur Innovation Hub
Project ID as per CSR 1	
Address	IIMA Ventures, IIM Ahmedabad New Campus, Vastrapur, Ahmedabad - Gujarat 380015
Scope of work as per MoU with the Corporate	7 early-stage startups (working in Emerging tech, Industry 4.0 Tech, Agri-Tech, Clean Tech and Civic Tech sector) with catalytic seed support.
Project Location(s)	Ahmedabad, Gujarat
CSR Project Duration	Ongoing will complete in FY 2025-2026
Total CSR Budget commitment by donor to the project	INR 4.70 crores total Total Duration 4 years 2022 - 2026. From Apr 2022-23= INR 1.1 crores, FY23-24 = INR 1.20 crores
CSR Spend	*INR 7 Lakh earmarked for inauguration of Dr. Kapur's Incubation space **Actual figures to be provided after 31 st March 2024.
12A, 80G (copies)	Available
Utilisation Certificate	Available
Project beneficiaries profile	Two Technology Entrepreneurs (Founders & Co-founders) supported with catalytic funds and Strategic advisory through one-on-one mentoring & guidance to early-stage startups developing innovative solutions.

Recognising Social Responsibility

Objective of CSR Project undertaken	Foster entrepreneurship to accelerate product focused startups/ideas into sustainable businesses.
How is the project relevant to the chosen beneficiary group	Project will create a startup ecosystem space to incubate startups and support early-stage innovative startups to disrupt status quo, promote sustainability, improve quality of reach/life and support cost effective solutions.

Mapping CSR Activities to National laws & Global goals

The Companies Act Schedule VII Sec 135	Aligned with SCHEDULE VII (See section 135)
UN Sustainable Development Goals	SDG 9: Industry, Innovation & Infrastructure
Any alignment with govt schemes & programs	IIMA Ventures was able to raise additional catalytic support from SIDBI for one of the selected startups.

Project Activities, Outputs and Outcomes

Activities	<ul style="list-style-type: none"> Prelim Analysis: Identifying startup and conducting primary research: having discussion with Internal and External Experts. IIMA Ventures shared a list of start-ups fitting selection criteria. Pitch & Finalisation: Based on key Selection Criteria for evaluation selecting startups fulfilling eligibility criteria. Due Diligence & Closure: Legal paperwork drafting to disburse funds to startups. Portfolio support: Startups to receive active support for 12 months
Outputs	<p>Following two startups selected after evaluation from Sona Group team:</p> <ol style="list-style-type: none"> Guerin Aerospace: Composite materials aerospace company flexible composites with high strain capacity which simplifies intricate space mechanism. NABH Drishti Aerospace: Developing and designing small gas turbine engines in the range of 300 and 1000 SHP based on clean fuel.
Outcome/Impact (long term) for the period of reporting FY2023-24	<p>Long term impact for project is:</p> <ol style="list-style-type: none"> Estimated 100+ direct jobs creation over the period of 5 years. 0.6 million directly influenced by technology developed over the course of 5 years. Decentralised Power Generation with clean tech fuel transformation with hydrogen-based Gas turbine Growing need for regional connectivity in India and huge potential for Urban Air Mobility Self-reliant India, developing strategic and critical technologies in India. Contribute to India's evolving deep-tech aerospace ecosystems in India. Guerin aims to employ 300+ high skilled workforce over the period of next 10 years.
List challenges and approach to address	<ul style="list-style-type: none"> Risk: Mission drift (of startups) Mitigation: Selection process to rigorously evaluate founders and business focus. Risk: Innovation fails to break into market. Mitigation: Leverage network for additional business progression and catalytic support.

Project Impact (Stakeholder Feedback)

- The incubation support initiative at Nabhdrishti Aerospace, situated within IIM Ahmedabad, has propelled the startup towards groundbreaking innovations in the aerospace industry. With a focus on indigenous Micro Gas Turbines (MGT) and sustainable fuel technologies, Nabhdrishti Aerospace exemplifies the transformative impact of strategic guidance, financial assistance, and technical mentorship provided by the incubator IIM-A in collaboration with Sona Comstar.
- Founded with a vision to revolutionise decentralised power generation and aerial mobility, Nabhdrishti Aerospace has leveraged the resources and expertise offered by the incubator to achieve remarkable milestones. Through product innovations such as fuel-flex technologies and innovative recuperators, the startup has demonstrated a commitment to efficiency, sustainability, and cost-effectiveness in its offerings. Successful closure of a Pre-Seed funding round totalling \$0.50 million, with support from IIM-A ventures, SIDBI, and angel investors, underscores the credibility and investor confidence garnered through the incubation process.
- The impact of the incubator extends beyond financial support, encompassing strategic guidance, technical development, and operational efficiency. By providing a platform for collaborative engagement and knowledge sharing, the incubator has facilitated strengthened financial strategies and fundraising mechanisms. Moreover, investments in technology innovation,

guided by incubator resources, have accelerated the development of groundbreaking products and solutions.

- While the incubation process has yielded significant benefits, challenges and areas for improvement have also been identified. Notably, the extended due diligence process, while thorough, has been cited as time-consuming. Suggestions for more collaborative engagement between legal teams and founders aim to expedite processes without compromising on thoroughness, enhancing efficiency and effectiveness in incubator operations.
- In summary, the incubation support initiative at Nabhdrishti Aerospace has been instrumental in fortifying the startup's financial foundation, enhancing fundraising mechanisms, and accelerating technological innovation. With a clear roadmap for product development and planned product launches on the horizon, Nabhdrishti Aerospace stands poised to make a significant impact in the aerospace industry, propelled by the transformative support received through the IIM Ahmedabad incubator.

The primary goal during our incubation period was to fortify our financial foundation and enhance our fundraising mechanisms. We successfully achieved this through the incubation

Arjun Srivasta, Co-Founder and COO, Nabhdrishti Aerospace

Theme 2: Saksham Bharat

Project 3: Supporting 8 Government Schools in Tamil Nadu

- Water, sanitation and hygiene in schools refers to a combination of technical and human development components that are necessary to produce a healthy school environment and to develop or support appropriate health and hygiene behaviours.
- Girls are particularly vulnerable to dropping out of school, partly because many are reluctant to continue their education when toilets and washing facilities are not private, not safe, or simply not available.
- When schools have appropriate, gender-separated facilities, an obstacle to attendance is removed. Thus, having gender segregated toilets in schools particularly matters for girls.
- Sona Comstar has been supporting schools in Tamil Nādu on water, sanitation and hygiene since 2015. It identifies a few schools every year and continues to support these schools over the years.

CSR School name	Location	Boys	Girls
Government Higher Secondary School	MM Nagar	338	258
Government Higher Secondary School	Vandalur	454	374

CSR School name	Location	Boys	Girls
Government Higher Secondary School	Nellikuppam	328	348
Government Higher Secondary School	Singaperumal Koil	396	340
Government Girls Higher Sec. School	Padappai	-	1212
Government Higher Secondary School	Manampathi	339	150
Government Higher Secondary School	Chunambedu	254	190
Government Higher Secondary School	Sembakkam	218	260
Total		2,327	3,132
Grand Total		5,459 students	

Activities, Outputs and Outcomes in FY 2023-24

A total of 8 schools in Tamil Nadu, (7 from previous tears and 1 from FY 2023-24) with a total of 5,459 students (2,327 boys, 3,132 girls) are being provided with toilet complexes and maintenance staff for the toilets. This has led to an improved access to sanitation for school students. The role of better sanitation facilities in schools is crucial for ensuring children's increased interest in attending school regularly.

Project 4: Sona Comstar Scholarships at Ashoka University

Implementing Agency Details

Name	International Foundation for Research & Education (Parent body of Ashoka University)
Name of Project	Sona Comstar Scholarship for Ashoka University
Project ID as per CSR 1	CSR00000712
Address	City Office - 222, 2 nd Floor, Okhla Industrial Estate, Phase - III, New Delhi – 110020 Campus - National Capital Region P.O, Plot no 2, Rajiv Gandhi Education City, Rai, Sonipat, Haryana 131029
Scope of work as per MoU	Sona Comstar to support financial aid of eligible women scholars pursuing computer science, math of economics (up to 3 women) as their major/minor for 3 years of their undergraduate at Ashoka University
Project Location(s)	Sonipat, Haryana
Project Duration	FY 2022-25
Total CSR Budget commitment	INR 24,461,000
12A, 80G (copies)	Available
Utilisation Cert.	Available
Project beneficiaries profile	15 women scholars from the UG batch of 2022-25 are being supported with different percentages of fee waiver from the Sona Comstar grant. While the MOU refers to 14 candidates in FY2023-24, the number of beneficiaries increased to 15. This was because one of the students getting a high percentage of aid left Ashoka University. To maintain the efficiency of the aid, two new students with lesser percentage were considered. The names of the beneficiaries have been anonymised for privacy.

S. No.	Name	Scholarship Code
1		65% tuition fee waiver
2		50% tuition fee waiver
3		50% tuition fee waiver
4		25% tuition fee waiver
5		50% tuition fee waiver
6		50% tuition fee waiver
7		65% tuition fee waiver
8		65% tuition fee waiver
9		50% tuition fee waiver
10		50% tuition fee waiver
11		100% tuition fee waiver
12		100% tuition fee waiver
13		100% tuition, residence and meals fee waiver
14		50% tuition fee waiver
15		25% tuition fee waiver

Recognising Social Responsibility

Objective	To provide financial aid to deserving and meritorious women from economically weak backgrounds pursuing undergraduate program at Ashoka University
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Relevance of Project

The need based financial aid program at Ashoka offers financial support to all deserving high-need students who get enrolled at Ashoka. The chosen 15 women beneficiaries for this project applied to the Ashoka financial aid program and are eligible to receive financial aid without which they will not be able to afford the education due to their socio-economic backgrounds.

Project Outcome / Impact

- The scholarship initiative at Ashoka University has catalysed transformative journeys for students, exemplified by the experiences of Myra Malik and Simar Randhawa. These scholarship beneficiaries illustrate the profound impact of financial support on academic exploration, personal growth, and career aspirations.
- Myra Malik, a Computer Science and Entrepreneurship major with a minor in Psychology, underscores the pivotal role of the scholarship in broadening her horizons. Initially bound by the constraints of traditional STEM education, Myra's trajectory was revolutionised by the scholarship, liberating her to delve into interdisciplinary fields. Empowered by financial security, Myra embraced Entrepreneurship as her second major, envisioning a future where she could merge her expertise in Computer Science with innovative entrepreneurship ventures. Beyond academics, the scholarship fostered a sense of community, enabling Myra to forge meaningful connections and access support networks crucial for holistic development.
- Simar Randhawa's narrative echoes the transformative potential of scholarship support in shaping academic pursuits and professional trajectories. As a Physics major, Simar's scholarship facilitated explorations beyond her discipline, enriching her educational journey with diverse extracurricular engagements. From art clubs to internships in physics labs, Simar's scholarship-enabled experiences nurtured her multifaceted talents and bolstered her confidence. Moreover, the scholarship opened doors to research opportunities and international collaborations, laying the groundwork for a promising academic career.

- The testimonials of Myra and Simar underscore the profound ripple effects of the scholarship initiative at Ashoka University. Beyond alleviating financial burdens, the scholarships have empowered students to transcend conventional educational pathways, embrace interdisciplinary learning, and cultivate a global outlook. By nurturing talent and fostering inclusive educational environments, the scholarship initiative embodies Ashoka University's commitment to empowering the next generation of leaders and innovators.
- In essence, the scholarship initiative at Ashoka University stands as a beacon of opportunity, illuminating pathways to academic excellence, personal growth, and societal impact for students like Myra Malik and Simar Randhawa.

Stakeholder Feedback

Student Name 1st KII – Myra Malik

Ashoka University Student since – 2nd Semester of 2nd year

Subject Major – Computer Science and Entrepreneurship

Subject Minor – Psychology

Support received from Ashoka University = 50% scholarship received from Ashoka University based on merit. The scholarship covers only the tuition fees of the student.

Selection Process followed:

- The first criteria were that the scholarship was offered for Women in STEM aligned subjects.
- Second criteria being Performance in the 1st semester.

In case of Myra these two selection criteria were followed for selecting her as a scholarship beneficiary. Since she had her major in Computer Science (STEM Subject) and her first semester GPA was 3.86.

How did the Scholarship benefit?

In case of the student Myra, the scholarship reduced the financial burden of her family, which she mentioned was an enabler for her to make unique choices in the University later. The scholarship allowed the student to explore different opportunities and figure out what she wanted to do in the future. Had she not been a Scholarship recipient, she said she would have never been able to explore and experiment new fields like Entrepreneurship and Psychology which was never her choice when she entered the University. When she took computer science initially, she only had the view that she would become a computer science engineer or expert and make money since her parents would have spent so much on course fees. But due to Scholarship support, she could really find new avenues to develop interest in new fields. Scholarship support gave her the confidence to choose Entrepreneurship as her one of the majors along with Computer Science which is quite different from her initial plan.

Challenges faced before the Scholarship support

Before the Scholarship, the student was not having any social circle or community connection. The scholarship allowed her to meet and interact with other scholarship recipients who were part of the same group and regular meetings. This community enabled her to make new friends, peer support system for academic and extra-curricular activities in the University.

What made you choose Entrepreneurship as your 2nd major?

Since I was eased with the financial support from Scholarship, I thought of exploring other fields also and figure out what I want to do in the future. This allowed my exposure in Entrepreneurship in the University and currently I am doing a course on Entrepreneurship. This course gave me unique perspective of how I can integrate Computer Science and Entrepreneurship together. During the course, I also got to connect and learn from 2 entrepreneurs who have built big Digital health care companies. This exposure validated my choice of Entrepreneurship as a second major and how I can integrate this with Computer Science.

“

I wish to do something similar someday wherein I can use my computer science and Entrepreneurship knowledge to build something unique

Myra Malik

”

How has the support network at Ashoka University, including faculty, mentors, and peers?

The support network at the Ashok University has been quite meaningful. During the 1st year we even had a Professor Mentor support system provided for students. In terms of peer group, I am part of a club – “Women and Computing Society” which has been instrumental in my personal and academic growth. I was able to reach out to my peers for any project related support, academic help, personal challenges. This has enabled me to stay strong during my time at the University.

If you didn't get the scholarship, how do you think your educational life would be different?

If I didn't have the security from Scholarship, I would have never decided to explore other subjects like Psychology and Entrepreneurship. Only because of Scholarship, I got exposed to Entrepreneurship and could further develop my interest in pursuing a future in Entrepreneurship. In India STEM is a not an open field where you get explore other subjects. It is a straight line from A to B wherein you only learn STEM and enter the job market. Universities like Ashoka along with Scholarship support provided me the space to learn and explore other subjects as well. This enabled me to develop social skills, entrepreneurial skills, and other development skills which otherwise would have been limited if I had been part of the STEM ecosystem only. The scholarship support at Ashoka University with its unique course curriculum has been a gamechanger for my personal growth.

Student Name 2nd KII – Simar Randhawa

Ashoka University Student since – 2nd Semester of 2nd year

Subject Major – Physics

Support received from Ashoka University – 65% scholarship received from Ashoka University based on merit. The scholarship covers only the tuition fees of the student.

Selection Process followed:

- The first criteria were that the scholarship was offered for Women in STEM aligned subjects.
- Second criteria being Performance in the 1st semester.

The foundational courses at Ashoka allowed me to evaluate whether I want to continue with Physics in the future or not. Since I got to explore other subjects as well, I could affirm my decision to continue with Physics in the future. All this could only happen because I had the support from the scholarship. If not, I would have ended up doing engineering in any random college today

Simar

Can you elaborate on any extracurricular activities, internships, or research opportunities you've been able to pursue because of the scholarship?

During the Foundational course, Simar also got to join Art Clubs, Baking Club and Environment Club in the University. Due to the scholarship support, she was able to be part of these clubs and expand her experience and skills beyond just learning Physics. She said that being part of these clubs built her personality, made her more confident in creative writing. She is part of the Environment club where she writes Newsletters for the University. This is one her achievements she said.

Presently, Simar is also interning with one of her professors in the Physics lab. This she considers to be a high value opportunity as she is just in the second year and interning

Project 5: Youthreach

Implementing Agency Details		
Name	Youthreach	
Name of Project	Digital Literacy Program	
Project ID per CSR 1	CSR00000083	
Address	11, Community Centre, Saket, New Delhi - 110017	
Scope of work as per MoU with the Corporate	Setting up digital literacy centers for underprivileged youth.	
Project Location(s)	Begumpur Khatola, Gurugram & Manesar	
CSR Project Duration (ongoing or one time)	November 2023 – October 2024	
Total CSR Budget commitment by donor to the project in FY23-24	INR 4,506,040	
CSR Spend	Spend Year	Actual Expenditure
	Nov 2023 – March 2024	Till Feb 2024 = INR 2,035,120
12A, 80G (copies)	Attached	
Utilisation Certificate	Will be shared post 31 st March 2024	
Need Assessment	Attached	
Project beneficiaries	The general beneficiaries profile includes school-going students, youth, daily wage workers in factories/shops nearby, housewives, etc.	
Project beneficiaries	Begumpur Khatola – 35 (For current and 1 st batch)	

with the professor in the lab. She plans to do her summer internship under the same professor. She said that it will help her in writing her thesis which she plans to do in the next 2 years in the University. Also, this will be a great enabler in her application to foreign universities for research. Also, Ashoka has partnerships with many foreign universities, and they run exchange programs for students to study for some time and share knowledge and courses for students. This interested her a lot since she could also have exposure to foreign universities and its expertise from Ashoka University itself.

Challenges faced before receiving Scholarship?

Simar came from a CBSE Board and due to lack of funds she could not go to foreign universities for her undergraduate. In India too, studying at Ashoka University was quite a big financial burden for her family as her younger brother is also studying. She wanted to study an inter-disciplinary course which was only possible at universities like Ashoka in India otherwise she would have to end up doing Engineering.

How has the support network at Ashoka University, including faculty, mentors, and peers, contributed to your overall experience as a STEM scholarship recipient?

- Simar praises Ashoka University's exceptional support network, ranking it among the best she's encountered.
- She was pleasantly surprised by the assistance from seniors at the beginning of her journey, offering valuable guidance.
- The culture of support extends to academics, with professors in the Physics department fostering personalised interactions in the small class size of 20 students.
- Professors are highly involved, providing recommendation letters for research opportunities, showcasing the strong professor-student relationship.
- They actively inform students about research projects and academic events, enhancing the learning experience.
- Simar credits the nurturing environment at Ashoka University for her clear plan to pursue a thesis in her third year.

Recognising Social Responsibility

Objective of CSR Project undertaken	Overall Goal: To reach out to adolescents and youth to enable them to access better employment opportunities and livelihoods through training in digital literacy skills. Specific Objectives of the Proposal: <ul style="list-style-type: none"> • To reach out to youth in the target area. • To build their self-confidence by providing digital literacy basic skills • To increase their abilities for better livelihoods by giving integrated training • To strengthen their capacities with orientation and training programs • To improve their living conditions and better their future
Relevance of Project	With nearly 25 per cent of the population of 1.4 billion falling below the poverty line, and more than 30 per cent of the population being illiterate, nearly 90 per cent of the population is not digitally literate is a startling statistic that needs immediate rectification if India is to empower its rural youth with adequate job opportunities.
Mapping CSR Activities to National laws & Global goals	
The Companies Act 2013 Schd VII Sec 135	Improvement in education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently abled and livelihood enhancement projects.
UN Sustainable Development Goals	Goal 4: Quality Education
Any alignment with govt schemes & programs	Collaborating with NIIT for the Basic Course Certification
Project Activities, Outputs and Outcomes	
Activities	The project involves providing vocational skills (Digital Literacy Skills) to rural youth and women. As we are moving towards a technologically advanced world, and more than 60% of India still lives in rural areas, therefore, as part of this project, we are trying to reach out to underprivileged people who cannot afford to enroll in expensive courses and provide them with NIIT Certified course under a nominal fee.
Outputs	As we have just been able to start one center in Gurugram, we will be able to begin training approximately 35 – 40 students till March 2024.
Outcome for the period of reporting (2023-24)	Outcome: The trained youth and women will be awarded the NIIT Certificate and will be able to compete and find suitable employment opportunities at the entry level, wherein having an NIIT certificate will give them an edge. Impact Statement: "We will be able to reach out to rural and underprivileged youth thus providing them an opportunity to learn this extremely important skill" – Centre Coordinator, Gurgaon
List challenges and approaches to address them	The major challenge faced by Youthreach is finding good quality trainers while setting up the centers; because of the remote location and mobilising youth above 16 years of age. The socio-economic backgrounds of these age groups of people make them find low-wage jobs at this young age, therefore it's just difficult to make them understand the importance of this skill and find better wage jobs.

Role of Youthreach

- Under the project Digital Literacy Training program, Youthreach identified students (above 13 years of age as mandated under the NIIT training course) from Begumpur Khatola village in Gurgaon and Manesar village in Manesar region to enrol them under the training course offered by NIIT Foundation. The training course designed by NIIT Foundation is executed by Youthreach
- Youthreach established 2 training centres in Manesar (1 centre) and Gurgaon (1 centre), identified students (preferably girls) from the nearby communities of the 2 locations (preferably students from underprivileged backgrounds/workers community) and enrolled them in the course. These students attended the training course conducted by Youthreach in the centre by the Centre Trainers. Centre trainers were hired by Youthreach (experienced in Computer having a trained course done in Basic Computer) to conduct training of students in the centre. Each centre trainer works under the supervision of 1 Program Coordinator who is supervising both the centres and their trainers in Gurgaon and Manesar.
- Apart from the Computer Training course of NIIT Foundation, Youthreach also trains the students on Graphic Designing skills undertaken by the Youthreach's internal Social Media Marketing and Communications Team.

Community Mobilisation Process & Enrolment Process

- Phase 1: Distributing pamphlet in the community.
- Phase 2: Conducting home visits and informing people in the community about the centre and the course.
- Phase 3: Taking in admissions and enrolling students in the batch with the continued home visits process.

NIIT Collaboration Process; Trainer's Training from NIIT

Youthreach partners with NIIT Foundation for their Certificate Course in Active Basic (CCAB). We can only register our students with NIIT once we have an active batch of at least 33 students per centre. From the inception of this collaboration till the certification, we follow the process mentioned below. After the completion of 4-month basic course, students undergo the online assessment, and then awarded their certificates.

Course Content

The NIIT Curriculum involves the below topics in detail spread over 4 months.

- Introducing Computers and Operating Systems
- Introducing Word Processing
- Introducing Spreadsheets
- Introducing PowerPoint
- Introducing Internet and Email

Sex ratio in Begumpur Khatola Centre, Gurgaon

- No. of Boys: 19
- No. of Girls: 17



Pictures from the Field: Youthreach Project



Project 6: Tata Strive Skilling Centres

Introduction

- Tata Strive, initiated in 2014, has impacted 1.7 million candidates across India. An impressive 85% of these individuals have successfully secured placements. But the commitment extends far beyond mere job placement. Tata Strive remains engaged with trained and certified students for up to one year after their courses, offering ongoing support to navigate challenges and transitions, including assistance during job switches.
- Tata Strive, provides youth from underprivileged communities access to quality skill training with an aim to enable livelihood linkages. As an outcome focused organisation, it aims for Employment, Entrepreneurship or Enhanced Employability through its Domain and Soft Skills training. The delivery model incorporates the right mix of pedagogy, methodology and technology suited to the target audience. It is focused towards paving a way for the youth to transition effortlessly into the digital economy of tomorrow through the quality interventions.
- Tata Strive also focuses on impacting the quality of training in the larger ecosystem, this is achieved by training of trainers, sharing relevant training assets and technology with like-minded partners.

Tata Strive Skill Development Centers (TSSDC)

- These are the best-in-class multi-skilling, multi-domain centers which have standardised infrastructure and brand design, content, processes. As showcase centers, they

demonstrate the Tata Strive student experience to visitors. It is in these centers where Tata Strive pilots' innovations before scaling them across the country and ecosystem. Over the years, TSSDCs have seen many learners fulfil their aspirations through the courses it offers.

Student Value Chain

- Based on insights gained from the Skill Development sector and to tackle specific challenges and bridge existing gaps, Tata Strive developed an 'onboarding-training-placement' model. This innovative approach has helped in crafting an immersive experience, known as the 'Tata Strive Way' to address challenges and empower young individuals for the goal of employment or entrepreneurship.

Support Structure

1. **Awareness – Pre-Enrolment phase** – This stage is where awareness amongst youths is created in colleges, local communication channels, etc. Students learn about the courses offered by Tata Strive. They enquire about the course online, or through direct contact and then learn about the upcoming batches for training.
2. **Admission – Career Path Choice** - Discussion session with center faculty about the students' interests, future plans and career inclination before enrolment. Online induction session conducted where the course structure, timing, modules are introduced to all learners.

3. **Skill (On-job training) – Training Period** - Exploring interactive and experiential subject specific learning with multiple hands-on practical sessions. Developing essential life skills and SMART goal setting through Youth Development Modules. Connecting with the inner self and peers and growing in confidence. Engaging in standardised training with assignments, quizzes and assessments after every module. Participating in guest lectures from industry experts who share real-life scenarios as mentors.
4. **Assessment** - During the training, regular assessments are conducted at the end of each module, which help students learn and stay on track. These ongoing assessments guide the progress and ensure subject specific understanding in the course completely. At the end of the course, a final assessment is done to test the learnings of the students. The final passing marks for the course are 85/100 setting it apart as the Tata Strive differentiator factor.
5. **Certification** - After completing the training and online assessment, students are awarded a certificate, with a QR code for convenient online verification.
6. **Placement** - Post Certification - With a network chain of recruiters from various fields, Tata Strive organises placement programs for students and get them placed in different fields based on their certification.

Collaboration between Sona Comstar and Tata Strive

Significant collaboration has been forged between Tata Strive and Sona Comstar, aimed at uplifting underprivileged youth through skill development initiatives. Support from Sona Comstar enables a focus on three specific skill sets:

- **Business Development Executive - BFSI**- Banking, Financial services and Insurance- in this category students are trained for business development roles. Course requires Under-graduate degree qualification.
- **CNC Specialist (Computer numerically controlled machinist/operator)** - For this 10th, 12th or diploma qualification is enough. This is a 2-weeks program with on-the-job training.
- **Front Office Associate** - this is a 12-week program with 4 weeks on the job training.

These skill sets were chosen through a collaborative process between Tata Strive and Sona Comstar, reflecting a mutual understanding of community needs and opportunities.

An intriguing aspect of the collaboration with Sona Comstar is the introduction of the CNC course, demonstrating proactive involvement in shaping training programs. The CNC program is slated to commence in May, with an ambitious target of training 250 students over the next three years, facilitating their placements in relevant sectors. Immediate goals include training 60 individuals in the upcoming year, with targets increasing in subsequent years.

To raise awareness about Tata Strive and its offerings, various marketing campaigns are deployed, including job fairs, engagement with college placement cells, and community mobilisation efforts. Notably, focus predominantly centers on college graduates, recognising their potential to benefit significantly from skill development programs. Through this collaboration and concerted outreach efforts, Tata Strive and Sona Comstar are collectively working towards empowering youth and bridging the gap between skill acquisition and employment opportunities.

Stakeholder Feedback

Location - TSEC- "Tata Strive Extension Centre", Chromepet, Chennai

Respondent - NS Vijay Ganesh, Centre Manager, certified by Tata Strive (Mr. Ganesh mentions that only trainers certified by TATA can teach in Tata Strive Skill Development Centers.

Engagement as a Trainer - Youth Development Module Training Program

Role of Tata Strive in Skill Development of Students

- Tata Strive plays a crucial role in ensuring the quality delivery of skill development programs through a structured three-pillar methodology.
- The Methodology Pedagogy System serves as the primary pillar, guiding the design and delivery of programs in a systematic manner.
- Candidate screening involves assessing economic and educational backgrounds, followed by a psychometric test to determine career suitability. The psychometric test, facilitated through the "Karyapath" application, is presented as a game to alleviate student apprehensions, serving as one of the screening processes.
- Faculty counseling sessions evaluate candidate compatibility, job readiness, and course completion potential, ensuring proper utilisation of funds provided by partners like Sona Comstar.
- Center managers conduct background checks and provide approval, addressing parental concerns and ensuring transparency.
- Throughout the course, no fees are collected from students, with essential resources such as uniforms, bags, exposure visits to industries, subject matter expertise sessions, and guest lectures provided.
- Candidates are expected to maintain a minimum attendance of 85%, contributing to their overall engagement and success in skill development.
- Tata Strive's comprehensive approach facilitates effective resource utilisation, empowers underprivileged youth, and enhances their employability in various sectors.

Students Enrolment and Registration

Course	No. of students registered/enrolled in the Centre
BFSI Course	12 students (1 Male, 11 Female) enrolled and registered. In total, 60 students will be trained in FY-24, and 100 students in FY 25. Tata Strive and Sona Comstar will issue certificate for this program.
CNC Course	Not started yet. To be started in May/June 2024 with a target to train 250 students in 3 years which includes placements. Target for Y1 – 50, Y2- 100, Y3 – 120. The plan is to ensure 90% female students for the course. Tata Strive and Sona Comstar will issue certificate for this program
Front Office Associate	Not started yet. To be started in May/June 2024 June. 40 students to be trained in FY 24, and 60 students in FY 25. The Taj Group will issue certificates for this program.

Key Takeaways on the Tata Strive Skill Development Centre, Chennai

- The duration of skill development training varies based on the program, with certification provided by Sona Comstar and Tata Strive for the BFSI program, Taj for the front office program, and Tata Strive and Sona Comstar for CNC.
- Selection criteria for students include assessments of economic and educational backgrounds, psychometric tests, and counseling sessions to ensure suitability for the program.
- The curriculum is informed to companies and regularly upgraded according to job market needs, with boot camps conducted to provide additional information to students based on employer requirements.
- Job placements are facilitated simultaneously with the training program, with a focus on engaging with recruiters and monitoring student progress for up to one year by the central team.
- Tata Strive places equal importance on both students and recruiters, ensuring ongoing communication and support for on-the-job opportunities.

Outcomes of the Program

1. **Enhanced Employability:** Through rigorous training and certification programs, Tata Strive's Skill Development Program aims to equip students with the necessary skills and knowledge to enhance their employability in various sectors.
2. **Sustainable Community Development:** By focusing on underprivileged youth and providing them with opportunities for skill development and job placement, the program contributes to sustainable community development, empowering individuals to become self-sufficient and economically independent.

3. **Continuous Improvement and Innovation:** Tata Strive regularly monitors and evaluates its training programs, ensuring alignment with industry needs and market demands. The program's commitment to upgrading curriculum and engaging with employers through boot camps reflects a dedication to continuous improvement and innovation in skill development.
4. **Digitalised Monitoring and Certification:** The program implements digitalised monitoring systems for both trainers and learners, ensuring transparency and accountability in the training process. Additionally, learners undergo formative and summative assessments, culminating in certification upon completion of the program, further enhancing their credibility in the job market.

Key Challenges under the Program

1. Academic disinterest among students despite abundant opportunities in Chennai. Difficulty in attracting suitable candidates for skill development due to preference for immediate employment.
2. Increasing competition in the non-profit sector, leading to challenges in maintaining enrolment numbers.
3. Some candidates may not fully appreciate the program's value as they do not pay for it, resulting in instances of dropouts.
4. Hesitancy among candidates during the placement phase, such as reluctance to attend interviews for various reasons like proximity to home.

Impact Stories from the Tata Strive Chennai Program

1. **Ms. Asifa's Dedication:** Despite residing in Melmaruvathur which is 100 kilometers away from Chennai, Ms. Asifa (enrolled in the BFSI Course, 1st Batch), demonstrates remarkable dedication to the Tata Strive program. Despite the long commute of 200 kilometers daily, she maintains 100% attendance. Her commitment speaks volumes about the impact of Tata Strive's quality training and counseling, which helped her understand the potential career opportunities and motivated her to pursue them diligently. Ms. Asifa's story exemplifies the importance of providing not just subject knowledge but also essential life skills through the Youth Development Module.
2. **Determination from Tiruvallur:** Another impactful story comes from a candidate Gayatri (enrolled in the BFSI Course, 1st Batch), traveling from Tiruvallur to Chennai for Tata Strives program. Despite facing the challenge of taking two trains and a bus to reach the institute, this individual remains a regular attendee. Their determination highlights the value they place on the skills and opportunities provided by Tata Strive, showcasing the program's ability to inspire and empower individuals from diverse backgrounds.

Pictures from the Field: Tata Strive Centre at Chennai



Independent Auditor's Report

To the Members of **Sona BLW Precision Forgings Limited**

Report on the Audit of the Standalone Financial Statements

OPINION

- We have audited the accompanying standalone financial statements of Sona BLW Precision Forgings Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

- Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p>Impairment of goodwill and brands having indefinite useful life (together 'intangibles')</p> <p>As detailed in Note 46 to the standalone financial statements, the Company carries goodwill amounting to INR1,582.24 million and brands amounting to INR 687.40 million in its standalone balance sheet as at March 31, 2024.</p> <p>The goodwill (related to Comstar) was recorded pursuant to scheme of amalgamation being approved by the Hon'ble National Company Law Tribunal vide its order dated 07th January 2022 post which the Company and its wholly owned subsidiary Comstar Automotive Technologies Private Limited were merged.</p> <p>The brands were recognised pursuant to Company acquiring SONA Intellectual property rights and all intellectual property rights thereto from SONA Management Services Limited.</p> <p>In terms with Indian Accounting Standard 36, Impairment of Assets, Goodwill and indefinite lived assets are tested for impairment annually by the management at the CGU level, whereby the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU. Impairment assessment requires significant estimations and judgement with respect to inputs used and assumptions made to prepare the forecasted financial information, used to determine the recoverable amount, using discounted cash flow model ('Model').</p> <p>Key assumptions used in management's assessment of the carrying amount of goodwill and indefinite life intangible assets includes the expected growth rates, estimates of future financial performance, market conditions and discount rates, amongst others.</p> <p>The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at 31st March 2024.</p> <p>Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such intangibles as a key audit matter for the current year audit.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ol style="list-style-type: none"> Obtained an understanding from the management with respect to its impairment assessment process, assumptions used and estimates made by the management; Evaluated the design and tested the operating effectiveness of controls related to aforementioned process of impairment testing; Obtained the impairment analysis carried out by the management and tested its mathematical accuracy. Understood and evaluated the basis of identification of CGUs to which goodwill is allocated for impairment assessment; Traced the cash flows considered in future projections to approved business plans and compared past projections with actual results to evaluate efficacy of the business projections process; Evaluated the inputs and assumptions used by the management in future projections with respect to revenue and cost growth trends for reasonableness thereof, basis our understanding of the business and market trends; Engaged auditor's valuation experts to assess appropriateness of the valuation methodology applied and the reasonableness of the assumptions used including discount rate and long-term growth rates, basis comparison to economic and industry forecasts where appropriate; Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates and Assessed the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements in accordance with the accounting standards.

Key audit matters

Impairment assessment of investment in a subsidiary company.

As described in Note 46 to the standalone financial statements, the Company has completed the acquisition of 54% share capital and voting rights in Novellic d.o.o. Beograd on 6 September 2023, as per terms of the definitive documents executed in this regard. The subsidiary's net worth is lower than the carrying value of the investment and thus, the management has performed a detailed impairment investment in accordance with the requirements of Ind AS 36, Impairment of Assets. The management has determined the recoverable value of the investment through fair valuation using discounted cash flow method, which requires the management to make significant estimates and judgements with respect to detailed cash flow projections based on underlying business plans of the subsidiary company, expected growth rates in the business and other market related factors. The management has concluded that the recoverable amount of the Investment is higher than its carrying amount and accordingly, no impairment provision has been recorded as at 31st March 2024. Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such investment as a key audit matter for current year audit.

How our audit addressed the key audit matter

- Our audit procedures included, but were not limited to, the following:
- Obtained an understanding from the management with respect to its impairment assessment process, assumptions used and estimates made by management.
 - Evaluated the design and tested the operating effectiveness of controls related to aforementioned annual impairment.
 - Obtained the impairment analysis carried out by the management and tested its mathematical accuracy.
 - Traced the cash flows considered in future projections to approved business plans of the investee company and compared past projections with actual results to evaluate efficacy of the business projections process;
 - Evaluated the inputs and assumptions used by the management in future projections with respect to revenue and cost growth trends for reasonableness thereof, basis our understanding of the business and market trends;
 - Engaged auditor's valuation experts to assess appropriateness of the valuation methodology applied and the reasonableness of the assumptions used including discount rate and long-term growth rates, basis comparison to economic and industry forecasts where appropriate;
 - Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates;
 - Assessed the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements in accordance with the accounting standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

- The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible

for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- c) The standalone financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of section 164(2) of the Act;
- f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in, paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31st March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2024;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2024;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024;
 - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 49 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 49 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year ended 31st March 2024 is in compliance with section 123 of the Act. The final dividend paid by the Company during the year ended 31st March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note x to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31st March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Arun Tandon
Partner
Membership No.: 517273
UDIN: 24517273BKEXEX5741

Place: New Delhi
Date: 30 April 2024

Annexure I

referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Sona BLW Precision Forgings Limited on the financial statements for the year ended 31st March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details

and situation of property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3 to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Gurugram and Pune with gross carrying values of INR 13.10 million and INR 13.20 million as at 31st March 2024, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) As disclosed in Note 52 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of INR 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.

(iii) (a) The Company has provided loans to others during the year as per details given below:

Particulars	Loans (INR million)
Aggregate amount provided during the year (INR):	7.15
- Others	
Balance outstanding as at balance sheet date in respect of above cases (INR):	4.90
- Others	

(b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company. Further the Company has not provided any guarantees, advances in the nature of loans or given any security.

(c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal is regular. Further, no interest is receivable on such loans

(d) There is no overdue amount in respect of loans granted to other parties. The Company has not granted any loans to companies, firms or LLP's.

(e) The Company has not granted any loans or advances in the nature of loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/ advances in nature of loan that existed as at the beginning of the year.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of investments made and guarantees provided by it, as applicable. There are no loans or securities given by the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148

Name of the statute	Nature of dues	Gross Amount (INR in million)	Amount paid under Protest (INR in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	2.12	2.12	Assessment Year (AY) 2013-14	Transfer Pricing Officer
Income Tax Act, 1961	Income Tax Demand	2.74	-	Assessment Year (AY) 2016-17	Transfer Pricing Officer
Income Tax Act, 1961	Income Tax Demand	90.85	14.17	Assessment Year (AY) 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demand	7.15	1.18	Assessment Year (AY) 2018-19	Commissioner of Income Tax (Appeals)/ Assessing officer
CGST Act, 2017	CGST Demand	281.97	-	Financial Year 2018-19 to 2019-20	Madras High Court
Finance Act, 1994	Service Tax Demand	0.47	-	Financial Year 2005-06 to 2007-08	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Excise Duty	0.61	-	Financial Year 2014-15 to 2017-18	Directorate General of Goods and Services Tax

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(b) According to the information and explanations given to us including confirmations received from banks and financial institution and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us, the Company has received whistle blower complaint during the year, which has been considered by us while determining the nature, timing and extent of audit procedures
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the

standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Arun Tandon
Partner
Membership No.: 517273
UDIN: 24517273BKEXEX5741

Place: New Delhi
Date: 30 April 2024

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Sona BLW Precision Forgings Limited ('the Company') as at and for the year ended 31st March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and

maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 internal financial controls with reference to financial statements .

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31st March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Arun Tandon

Partner

Membership No.: 517273

UDIN: 24517273BKEXEX5741

Place: New Delhi

Date: 30 April 2024

Standalone Balance Sheet

as at 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	Note No.	As at 31 st March 2024	As at 31 st March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,986.92	8,073.82
Right-of-use assets	3	2,169.94	1,407.97
Capital work-in-progress	3	945.23	693.24
Goodwill	4	1,582.24	1,582.24
Other intangible assets	4	3,232.88	3,663.36
Intangible assets under development	4	453.29	217.79
Financial assets			
(i) Investments	5	5,141.50	1,567.15
(ii) Other financial assets	6	88.63	91.00
Income tax assets (net)	7	254.55	258.50
Other non-current assets	8	953.29	392.76
Total non-current assets		23,808.47	17,947.83
Current assets			
Inventories	9	3,115.91	2,683.67
Financial assets			
(i) Investments	5	271.15	2,133.11
(ii) Trade receivables	10	5,821.36	5,864.48
(iii) Cash and cash equivalents	11	246.01	283.80
(iv) Bank balances other than (iii) above	12	1,731.84	257.28
(v) Other financial assets	6	24.83	2.16
Other current assets	8	833.31	589.93
Total current assets		12,044.41	11,814.43
Total assets		35,852.88	29,762.26
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13(A)	5,864.48	5,854.05
Other equity	14	19,875.84	16,644.12
Total equity		25,740.32	22,498.17
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15 (i)	292.05	486.74
(ii) Lease liabilities	43	1,496.06	708.28
(iii) Other financial liabilities	16	688.59	1.74
Provisions	17	247.69	179.59
Deferred tax liabilities (net)	18	710.25	689.64
Total non-current liabilities		3,434.64	2,065.99
Current liabilities			
Financial liabilities			
(i) Borrowings	15 (ii)	2,038.54	1,687.94
(ii) Lease liabilities	43	51.45	30.67
(iii) Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		519.87	470.84
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,174.60	1,837.64
(iv) Other financial liabilities	16	1,438.96	781.67
Other current liabilities	20	293.02	237.48
Provisions	17	72.23	46.71
Current tax liabilities (net)	21	89.26	105.15
Total current liabilities		6,677.92	5,198.10
Total liabilities		10,112.56	7,264.09
Total equity and liabilities		35,852.88	29,762.26
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.	1 to 54		

This is the standalone balance sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N/N500013

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
Membership No. FCS 5253

Place: New Delhi
Date: 30th April, 2024

Place: Gurugram
Date: 30th April 2024

Standalone Statement of Profit and Loss

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	Notes	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Income			
Revenue from operations	22	28,918.26	24,476.67
Foreign exchange gain (net)		12.83	209.57
Other income	23	401.71	430.74
Total income		29,332.80	25,116.98
Expenses			
Cost of materials consumed	24 (a)	12,663.62	10,659.14
Changes in inventories of finished goods and work-in-progress	24 (b)	(367.10)	270.89
Employee benefits expense	25	2,111.54	1,710.33
Finance costs	26	253.87	163.57
Depreciation and amortisation expense	27	2,025.87	1,665.46
Other expenses	28	6,265.72	5,667.71
Total expenses		22,953.52	20,137.10
Profit before exceptional items and tax		6,379.28	4,979.88
Exceptional item	29	87.16	33.69
Profit before tax		6,292.12	4,946.19
Tax expense			
- Current tax	30	1,452.51	1,070.56
- Tax related to previous years		(28.68)	(33.63)
- Deferred tax charge		23.49	28.36
Total tax expense		1,447.32	1,065.29
Profit for the year		4,844.80	3,880.90
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements (losses)/gains on defined benefit plans		(23.18)	2.29
Income tax relating to above mentioned items		5.84	(0.59)
<i>Items that will be reclassified to profit or loss</i>			
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge		11.75	17.11
Income tax relating to above mentioned items		(2.96)	(4.34)
Other comprehensive (loss)/income for the year		(8.55)	14.47
Total comprehensive income for the year		4,836.25	3,895.37
Earnings per equity share of face value of ₹10 each			
Earnings per share (Basic) (in INR)	37	8.27	6.64
Earnings per share (Diluted) (in INR)	37	8.27	6.63
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.	1 to 54		

This is the standalone statement of profit and loss referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
Membership No. FCS 5253

Place: New Delhi
Date: 30th April 2024

Place: Gurugram
Date: 30th April 2024

Standalone Cash Flow Statement

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	As at 31 st March 2024	As at 31 st March 2023
A. Cash flows from operating activities		
Profit before income tax	6,292.12	4,946.19
<i>Adjustments for:</i>		
Depreciation and amortisation expense	2,025.87	1,665.46
Loss/(Profit) on sale of property plant and equipment (net)	2.00	(0.61)
(Reversal)/Allowance for doubtful receivables	(46.19)	43.84
Share based payments	158.57	30.18
Unwinding of discount on fair valuation of security deposits	(1.35)	(1.34)
Provision for slow moving inventory	6.24	11.01
Fair value loss on derivatives	(11.68)	60.11
Dividend income	(203.88)	(327.60)
Provision for warranty	45.14	28.48
Unwinding of discount on deferred payment liabilities	27.74	-
Finance costs	250.77	159.48
Interest income	(196.43)	(100.73)
Unrealised foreign exchange loss (net)	6.05	7.86
Operating profit before working capital changes	8,354.97	6,522.33
Changes in working capital		
Movement in inventories	(438.49)	312.08
Movement in trade receivables	74.50	(1,499.19)
Movement in financial assets	(25.16)	36.34
Movement in other assets	(706.96)	56.99
Movement in trade payable	384.27	505.98
Movement in financial liabilities	104.96	28.34
Movement in provision	25.28	15.27
Movement in other liabilities	56.22	19.73
Cash generated from operations	7,829.59	5,997.87
Direct taxes paid	(1,436.24)	(995.47)
Net cash flow generated from operating activities - Total (A)	6,393.35	5,002.40
B. Cash flows from investing activities		
Payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances	(3,140.09)	(3,339.02)
Proceeds from sale of property, plant and equipment	4.07	1.56
Fixed deposits created during the year	(4,858.54)	(2,741.75)
Fixed deposits matured during the year	3,383.98	2,676.91
Sale/(Purchase) of current investment (net)	1,861.96	(2,074.79)
(Purchase) of Non-current investment	(2,176.78)	-
Dividend received	203.88	327.60
Interest received	196.43	27.06
Net cash (used) in investment activities - Total (B)	(4,525.09)	(5,122.43)
C. Cash flows from financing activities		
Proceeds from short term borrowings (net)	256.66	1,333.92
Repayment of long term borrowings	(100.76)	(12.50)
Proceeds from long term borrowings	-	150.00
Repayment of deferred payment liabilities	(27.74)	-

Standalone Cash Flow Statement

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Repayment of lease liabilities	(30.50)	(24.99)
Interest paid on lease liabilities	(77.85)	(74.27)
Dividend paid	(1,792.94)	(1,199.27)
Net proceeds from issue of equity shares (including securities premium)	40.00	40.34
Interest paid	(172.92)	(11.54)
Net cash flow (used) in/ generated from financing activities - Total (C)	(1,906.05)	201.69
D. Net (decrease)/increase in cash and cash equivalents (A)+(B)+(C)	(37.79)	81.66
E. Cash and cash equivalents at the beginning of the year	283.80	202.14
F. Cash and cash equivalents at the end of the year (D)+(E)	246.01	283.80
Reconciliation of cash and cash equivalents as per the cash flow statement (refer note 11)		
Cash and cash equivalents as per above comprise of the following		
Balances in current accounts	243.62	42.95
Cash on hand	0.10	0.08
Cheque on hand	2.29	-
Bank deposits with original maturity of less than three months	-	240.77
Balances per statement of cash flows	246.01	283.80

Note: Refer note 15 for reconciliation of liabilities arising from financing activities.

The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements. 1 to 54

This is the standalone statement of cash flows referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N/N500013

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
M.No. - FCS-5253

Place: New Delhi
Date: 30th April 2024

Standalone Statement of Changes in Equity

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

A. EQUITY SHARE CAPITAL

	Amount
Balance as at 01st April 2022	5,843.53
Equity share issued during the year (refer note 13)	10.52
Balance as at 31st March 2023	5,854.05
Equity share issued during the year (refer note 13)	10.43
Balance as at 31st March 2024	5,864.48

B. OTHER EQUITY

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow Hedge Reserve	Merger Reserve	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Employee's stock options reserve				
Balance as at 1st April 2022	120.00	5,522.99	25.93	7,745.62	64.53	(328.28)	-	737.23	13,888.02
Net profit for the year	-	-	-	3,880.90	-	-	-	-	3,880.90
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	12.78	-	12.78
Remeasurement of defined benefit obligations (net of tax)	-	-	-	1.70	-	-	-	-	1.70
Dividend paid (refer note 34)	-	-	-	(1,199.27)	-	-	-	-	(1,199.27)
Employee stock option reserve created during the year	-	-	-	-	30.18	-	-	-	30.18
Impact on exercise of ESOPs grants (Refer Note 45)	-	48.68	-	-	(48.68)	-	-	-	-
Premium on ESOPs issue	-	29.81	-	-	-	-	-	-	29.81
Balance as at 31st March 2023	120.00	5,601.48	25.93	10,428.95	46.03	(328.28)	12.78	737.23	16,644.12

Standalone Statement of Changes in Equity

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow Hedge Reserve	Merger Reserve	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Employee's stock options reserve				
Net profit for the year	-	-	-	4,844.80	-	-	-	-	4,844.80
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	8.79	-	8.79
Remeasurement of defined benefit obligations (net of tax)	-	-	-	(17.34)	-	-	-	-	(17.34)
Dividend paid (refer note 34)	-	-	-	(1,792.94)	-	-	-	-	(1,792.94)
Employee stock option reserve created during the year	-	-	-	-	158.86	-	-	-	158.86
Impact on exercise of ESOPs grants (Refer Note 45)	-	49.78	-	-	(49.78)	-	-	-	-
Premium on ESOPs issue	-	29.55	-	-	-	-	-	-	29.55
Balance as at 31st March 2024	120.00	5,680.81	25.93	13,463.47	155.11	(328.28)	21.57	737.23	19,875.84

This is the standalone balance sheet referred to in our report of even date.

For **Walker Chandik & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N/N500013

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
M.No. - FCS-5253

Place: New Delhi
Date: 30th April 2024

Place: Gurugram
Date: 30th April 2024

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

1. COMPANY OVERVIEW

Sona BLW Precision Forgings Limited ("the Company") is a public limited company incorporated and domiciled in India and having its registered office at Sona Enclave, Village Begumpur, Khatola, Sector 35, Gurugram. It was incorporated on 27 October 1995 and began commercial production in November 1998. The Company is engaged in the manufacturing of precision forged bevel gears and differential case assemblies, conventional and micro-hybrid starter motors, EV traction motors etc., for automotive and other applications.

2. BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

i) Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable. The Company's equity shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE).

The standalone financial statements were approved for issue by the Company's Board of Directors on 30 April 2024.

ii) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value; and
- defined benefit plans – plan assets measured at fair value

iii) Business combination and goodwill

The Company applies the acquisition method in accounting for business combinations. The cost of acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date. Acquisition costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable

assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognised.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

2.2 Summary of material accounting policies

a) Property, plant and equipment and capital work in progress

Freehold land is carried at cost. All other items of property, plant and equipment and capital work in progress are stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the property, plant and equipment is capitalised at discounted value. The difference between the discounted value and the total payment is recognised as interest over the period of credit.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) as prescribed in Schedule II of the Act: -

Asset category	Useful life (in years)
Factory buildings	3 to 30
Plant and equipment	1 to 25
Furniture and fixtures	3 to 10
Computers and IT equipment	3
Vehicles	4 to 8
Office equipment	1 to 5
Leasehold improvements	Over the effective term of lease

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Expenditure on the research phase of projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Company can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation methods and periods.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Asset class	Useful life (in years)
Computer software	1 to 6
Technical knowhow	6
Brand	Indefinite
Customer Relationship	15
Goodwill	Indefinite
Technology development expenditure	5

The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortisation expense.

Derecognition:

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

c) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses). Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing on the date of transaction.

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

d) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

a. Revenue from sale of goods:

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts. Revenue is disclosed exclusive of goods and services tax.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

b. Other Income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Dividend is recognised as and when the right of the Company to receive payment is established.

Export benefit entitlements under various schemes notified by the government are recognised in the statement of profit and loss when the right to receive credit as per terms of the scheme is established

in respect of the exports made and no significant uncertainties exist as to the amount of consideration and its ultimate collection.

c. Revenue from contract with customers

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:

- 1 Identifying the contract with customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 30-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

Consideration for revenue contracts

This includes amounts paid, or expected to be paid, by the Company to the customer. The amount, if not for a payment for a distinct goods or service from the customer, is accounted for as a reduction of the transaction price. The Company recognises the reduction of revenue when (or as) the later of either of the following events occurs: (a) the Company recognises revenue for the transfer of the related goods or services to the customer; and (b) the entity pays or promises to pay the consideration (even if the payment is conditional on a future event).

e) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f) Leases

The Company lease asset classes primarily consist of leases for land, buildings and plant and machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the right to extend the lease. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

g) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below:

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise to specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii) Financial assets at fair value

- Investments in equity instruments (other than subsidiaries) – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Investment in equity instrument of subsidiaries are stated at cost using the exemption as per Ind AS 27 'Separate financial statements'.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using effective interest method. Amortised cost is calculated after considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

Initial and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Hedge accounting

The Company designates certain hedging instruments mainly derivatives, in respect of foreign currency risk, as cash flow hedges to mitigate foreign currency exchange risk arising from certain highly probable sales transactions denominated in foreign currency.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, and is included in the 'Other income' / 'Other expense' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement

of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets. In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost. ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach required by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Company uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables. Life time expected credit losses are assessed and accounted based on company's historical collection experience for customers and forecast of macroeconomic factors.

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

i) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's of assets (cash-generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of asset over its remaining useful life.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j) Fair value measurement

The Company measures certain financial instruments, such as, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Refer note 32 for fair value hierarchy.

k) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the basis of weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit accounts, margin deposit money and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities in the balance sheet. The statement of cashflow is prepared using indirect method.

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

m) Employee benefits

a. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

b. Post-Employment Benefits

Defined Contribution Plan: A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separately entity. The Company has defined contribution plans for provident fund and employees' state insurance scheme. The Company's contribution in the above plans is recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

Defined Benefit Plans: The Company has defined benefit plan namely Gratuity for employees. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Company recognises the following changes in the net defined benefit obligation under Employee benefits expense in statement of profit and loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailment and non-routine settlements
- Net Interest expense

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

Other long-term employee benefits

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of the year. Actuarial gains/losses are immediately recognised to the Statement of Profit and Loss.

Termination benefits are recognised as an expense immediately.

n) Employee share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the

Company's plans are cash-settled. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date. All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Dilute earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

p) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the balance sheet date.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Expected future operating losses are not provided for.

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Contingencies

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Eligible transaction/ ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

r) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

s) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on the current/non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. The Company classifies all other assets as non-current.

A liability is treated current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Current liabilities include current portion of non-current financial liabilities. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current/non-current classification of assets and liabilities.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements includes:

a) Provisions

At each balance sheet date basis the management judgement, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

b) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

c) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

d) Useful lives of tangible/intangible assets

The Company reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

e) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f) Impairment of non-financial assets and goodwill

In assessing impairment, Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

h) Measurement of share based payments;

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds)

i) Capitalisation of internally developed intangible assets

The Company applies judgement in determining at what point the recognition criteria under Ind AS 38 is satisfied with respect to technology development expenditure being incurred.

2.4 Application of new and revised Indian Accounting Standard (Ind AS)

The Ministry of Corporate Affairs vide notification dated 31st March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8

These amendments did not have any material impact on the Company. For the year ended March 31, 2024, MCA has not notified any new standards applicable to the Company.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

3 PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS (CWIP) AND RIGHT OF USE ASSET (ROU)

Property, plant and equipment	Freehold land	Buildings (Refer note i)	Plant and equipment (Refer note ii)	Furniture and fixtures	Office Equipment	Computers	Vehicles	Leasehold improvement	Total	Capital work-in-progress	Right-of-use assets		
											Leasehold land	Building	Total
Gross carrying amount as at 1st April 2022	26.12	592.18	6,414.75	72.84	122.53	169.00	165.32	133.74	7,696.48	1,403.56	845.55	816.20	1,661.75
Additions	-	587.51	2,900.36	25.92	36.17	55.13	43.26	7.55	3,655.90	2,952.27	-	-	-
Transfer on capitalisation#	-	-	-	-	-	-	-	-	-	(3,662.59)	-	-	-
Disposals	-	-	(186.08)	-	-	(4.02)	(5.39)	-	(195.48)	-	-	-	-
Gross block as at 31st March 2023	26.12	1,179.70	9,129.04	98.75	158.69	220.11	203.20	141.29	11,156.90	693.24	845.55	816.20	1,661.75
Accumulated depreciation as at 01st April 2022	-	142.32	1,696.31	33.87	77.22	108.89	47.75	47.55	2,153.93	-	31.53	149.52	181.05
Depreciation charge during the year	-	38.99	977.72	9.87	15.64	37.85	30.19	13.42	1,123.67	-	13.16	59.56	72.73
Disposals	-	-	(186.08)	-	-	(4.02)	(4.43)	-	(194.52)	-	-	-	-
Closing accumulated depreciation	-	181.31	2,487.96	43.74	92.86	142.72	73.51	60.98	3,083.08	-	44.69	209.09	253.78
Net carrying amount as at 31st March 2023	26.12	998.39	6,641.08	55.01	65.83	77.39	129.69	80.31	8,073.82	693.24	800.86	607.11	1,407.97
Gross carrying amount as at 1st April 2023	26.12	1,179.70	9,129.04	98.75	158.69	220.11	203.20	141.29	11,156.90	693.24	845.55	816.20	1,661.75
Additions	-	93.94	2,117.44	25.40	31.53	41.27	84.45	1.07	2,395.10	2,626.49	-	839.00	839.00
Transfer on capitalisation#	-	-	-	-	-	-	-	-	-	(2,374.50)	-	-	-
Disposals	-	-	(20.37)	-	(0.03)	(2.61)	(30.61)	-	(53.62)	-	-	-	-
Gross block as at 31st March 2024	26.12	1,273.63	11,226.11	124.15	190.20	258.76	257.04	142.36	13,498.38	945.23	845.55	1,655.20	2,500.75
Accumulated depreciation as at 01st April 2023	-	181.31	2,487.96	43.74	92.86	142.72	73.51	60.98	3,083.08	-	44.69	209.09	253.78
Depreciation charge during the year	-	50.16	1,294.59	13.53	15.69	45.91	38.32	13.94	1,472.15	-	2.64	74.39	77.03
Disposals	-	-	(17.87)	-	(0.03)	(2.61)	(23.26)	-	(43.77)	-	-	-	-
Closing accumulated depreciation	-	231.47	3,764.68	57.27	108.52	186.02	88.57	74.92	4,511.45	-	47.33	283.48	330.81
Net carrying amount as at 31st March 2024	26.12	1,042.16	7,461.43	66.88	81.68	72.75	168.47	67.45	8,986.92	945.23	798.22	1,371.71	2,169.94

Transfer on capitalisation also includes amount transferred to intangible assets.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

CWIP aging schedule as at 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	907.40	37.83	-	-	945.23

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

CWIP aging schedule as at 31st March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	688.81	3.46	0.98	-	693.24

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan other than stated in point (v) below.

- Building (gross block) amounting INR 1,102.27 million (31st March 2023: INR 1,012.16 million), net block INR 824.55 million (31st March 2023: INR 857.59 million) is constructed on leasehold land.
- Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 15 for information on property, plant and equipment pledged as security by the company.
- Property, plant and equipment, Capital work-in-progress include gross assets amounting to INR 425.44 million (31st March 2023 : INR 359.35 million) relating to development.
- Property, plant and equipment (net carrying amount) of INR 134.94 million (31st March 2023 : INR 131.00 million) and capital work in progress of INR 26.29 million (31st March 2023 : INR 28.00 million) is lying with job workers. Also includes amount of INR 22.05 million pertaining to projects in progress which have crossed the budgeted period.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

4 INTANGIBLE ASSETS, INTANGIBLE ASSETS UNDER DEVELOPMENT AND GOODWILL

Intangible assets	Computer software	Technical knowhow	Technology development expenditure	Brand #	Customer Relationships	Goodwill (Including Assembled workforce and future customer)#	Total	Intangible assets under development#	Total
Gross carrying amount as at 01st April 2022	288.56	31.23	992.90	687.40	2,929.00	1,582.24	6,511.32	65.20	65.20
Additions	126.78	-	-	-	-	-	126.78	265.64	265.64
Transfer to intangible assets	-	-	-	-	-	-	-	(113.05)	(113.05)
Gross block as at 31st March 2023	415.34	31.23	992.90	687.40	2,929.00	1,582.24	6,638.10	217.79	217.79
Accumulated amortisation as at 01st April 2022	135.85	21.88	230.59	-	535.11	-	923.44	-	-
Amortisation charge for the year	70.27	5.07	198.60	-	195.12	-	469.06	-	-
Closing accumulated amortisation as at 31st March 2023	206.12	26.95	429.19	-	730.24	-	1,392.50	-	-
Net carrying amount as at 31st March 2023	209.22	4.28	563.71	687.40	2,198.76	1,582.24	5,245.60	217.79	217.79
Gross carrying amount as at 01st April 2023	415.34	31.23	992.90	687.40	2,929.00	1,582.24	6,638.10	217.79	217.79
Additions	46.20	-	-	-	-	-	46.20	278.72	278.72
Transfer to intangible assets	-	-	-	-	-	-	-	(43.22)	(43.22)
Gross block as at 31st March 2024	461.55	31.23	992.90	687.40	2,929.00	1,582.24	6,684.31	453.29	453.29
Accumulated amortisation as at 01st April 2023	206.12	26.95	429.19	-	730.24	-	1,392.50	-	-
Amortisation charge for the year	81.29	1.67	198.60	-	195.12	-	476.69	-	-
Closing accumulated amortisation as at 31st March 2024	287.41	28.63	627.80	-	925.36	-	1,869.19	-	-
Net carrying amount as at 31st March 2024	174.14	2.60	365.10	687.40	2,003.64	1,582.24	4,815.12	453.29	453.29

Refer note 46

Intangible assets under development aging schedule for the year ended 31st March 2024

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	249.97	172.29	31.03	-	453.29

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan

Intangible assets under development aging schedule for the year ended 31st March 2023

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	186.24	31.55	-	-	217.79

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

5 INVESTMENTS (NON-CURRENT)

	As at 31 st March 2024	As at 31 st March 2023
At Cost, Unquoted investments, Investment in equity shares of subsidiary companies		
1,878,801 (31 st March 2023: 1,878,801) equity shares of USD 1 each in Comstar Automotive Hong Kong Ltd.	229.45	229.45
1,500,000 (31 st March 2023: 1,500,000) equity shares of INR 10 each in Sona Comstar eDrive Private Limited	15.00	15.00
130,000 (31 st March 2023:130,000) equity shares of INR 1 each in Comstar Automotive Technology Services Private Limited	73.80	73.80
250,000 (31 st March 2023: 250,000) equity shares of USD 10 each in Comstar Automotive USA LLC	1,248.90	1,248.90
54% voting rights (31 st March 2023: Nil) in Novellic d.o.o. Beograd (refer note 46 (b))	3,506.37	-
2,615,974 (31 st March 2023: Nil) equity shares of 1 peso each in Sona BLW Edrive Mexicana, S.A.P.I DE C.V.*	13.03	-
1 (31 st March 2023: 1) equity share of USD 1 each in Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V **	-	-
At Cost, Unquoted investments, Investment in equity shares of other than subsidiary companies		
9,553 (31 st March 2023: 9,553) equity shares of Euro 500 each in Sona Holding B.V. The Netherlands	211.66	211.66
Less: Provision for impairment	(211.66)	(211.66)
42,716 (31 st March 2023: Nil) equity shares of INR 10 each in Clean Max Calypso Private Limited	54.94	-
At Cost, Unquoted investments, Investment in Preference shares of other than subsidiary companies		
392,647 (31 st March 2023: 392,647) equity share of Euro 5 each in Sona Holding B.V. The Netherlands	116.62	116.62
Less: Provision for impairment	(116.62)	(116.62)
	5,141.50	1,567.15
Aggregate amount of unquoted non-current investments	5,141.50	1,567.15
Aggregate amount of impairment of unquoted investments	328.28	328.28

* Incorporated during the year

** the amount is less than INR 10,000

	As at 31 st March 2024	As at 31 st March 2023
Investment (current)		
At fair value through profit and loss - Quoted Investment		
76,312.99 units (31 st March 2023: 150,234.33) of HDFC Overnight Fund - Regular	271.15	500.04
Nil (31 st March 2023: 421,505.70) of Axis Overnight Fund - Regular	-	499.72
Nil (31 st March 2023: 136,764.31) of SBI Overnight Fund - Regular	-	499.09
Nil (31 st March 2023: 113,032.72) of Kotak Overnight Fund - Regular	-	135.16
Nil (31 st March 2023: 411,645.79) of ABSL Overnight Fund - Regular	-	499.10
	271.15	2,133.11
Aggregate amount of quoted investments at market value	271.15	2,133.11

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

6 OTHER FINANCIAL ASSETS

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
Unsecured, considered good		
Non current		
Security deposits	88.63	78.96
Fixed deposits with banks with maturity period of more than 12 months	-	12.04
Total other financial assets- non current	88.63	91.00
Current		
Forward contract receivables (refer note 33 and 48)	18.10	-
Other financial assets	6.73	2.16
Total other financial assets- current	24.83	2.16

7 INCOME TAX ASSETS (NET)

	As at 31 st March 2024	As at 31 st March 2023
Non current		
Prepaid taxes*	254.55	258.50
	254.55	258.50

*Amount paid under protest of INR 17.47 million (31st March 2023: INR 24.48 million)

8 OTHER ASSETS

	As at 31 st March 2024	As at 31 st March 2023
Non current		
Prepaid expenses	18.37	1.69
Un-adjusted consideration for revenue contract	22.18	33.40
Capital advances	454.56	357.67
Other assets	458.18	-
Total other assets- non current	953.29	392.76
Current		
Prepaid expenses	124.78	97.62
Loans and advances to employees	4.90	4.06
Advance to suppliers for goods and services	181.57	172.75
Balance with government authorities	398.27	225.26
Un-adjusted consideration for revenue contract	11.21	11.21
Other assets	132.96	99.41
Less: Allowance for doubtful advances	(20.38)	(20.38)
Total other assets- current	833.31	589.93

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

9 INVENTORIES

	As at 31 st March 2024	As at 31 st March 2023
Raw materials and components *	735.13	671.79
Work-in-progress**	405.19	324.89
Finished goods***	1,592.34	1,305.54
Stores and spares	129.22	128.74
Loose tools	45.38	55.57
Dies, jigs and fixtures	193.69	185.88
Scrap	14.96	11.26
Total #	3,115.91	2,683.67

Total inventory is net of provision for obsolete and slow moving inventory amounting to INR 72.06 million (31st March 2023: INR 65.82 million)

* Includes raw materials and components in transit amounting INR 89.56 million (31st March 2023: INR 79.44 million)

** Includes raw materials and components with the vendors sent for job work INR 12.65 million (31st March 2023: INR 15.13 million)

*** Includes inventory with the vendors sent for job work INR 153.63 million (31st March 2023: INR 126.77 million)

**** Includes goods in transit INR 656.82 million (31st March 2023: INR 428.92 million)

The cost of inventories recognised as an expense during the year are disclosed in Note 24 & 28.

10 TRADE RECEIVABLES

	As at 31 st March 2024	As at 31 st March 2023
Unsecured		
Trade receivables considered good	5,821.36	5,864.48
Trade receivables - credit impaired	5.07	51.26
Less: Allowances for expected credit loss	(5.07)	(51.26)
Total trade receivables	5,821.36	5,864.48

Notes:

- Refer note 36 for receivable balance from related parties
- Refer note 33 - Financial instruments for assessment of expected credit losses
- There are no disputed dues from customers
- General credit period is 30 to 90 days.
- There is no significant financing component in receivables except mentioned in note 15(ii).

Trade receivables ageing schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade receivables - considered good	4,893.66	891.59	23.57	12.54	-	-	5,821.36
(ii) Trade receivables - credit impaired	-	-	-	0.24	0.26	4.57	5.07

Trade receivables ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade receivables - considered good	5,098.97	744.79	14.48	5.34	0.91	-	5,864.48
(ii) Trade receivables - credit impaired	-	46.66	0.44	0.13	1.79	2.25	51.26

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

11 CASH AND CASH EQUIVALENTS

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
Balance with banks		
- in current accounts*	243.62	42.95
Cash on hand	0.10	0.08
Cheque on hand	2.29	-
Bank deposits with original maturity of less than three months	-	240.77
Total cash and cash equivalents	246.01	283.80

* Includes INR 0.30 million (31st March 2023 : INR 4.05 million) for amount earmarked for corporate social responsibility.

12 OTHER BANK BALANCES

	As at 31 st March 2024	As at 31 st March 2023
Bank deposits with original maturity of more than three months but residual maturity of less than twelve months	1,731.84	257.28
Total other bank balances	1,731.84	257.28

13 (A) EQUITY SHARE CAPITAL

	As at 31 st March 2024	As at 31 st March 2023
Authorised share capital		
1,148,500,000 (31 st March 2023: 1,148,500,000) equity shares of INR 10 each	11,485.00	11,485.00
Issued, subscribed and paid up share capital		
586,447,778 (31 st March 2023: 585,404,582) equity shares of INR 10 each fully paid up	5,864.48	5,854.05

i) Reconciliation of shares outstanding at the beginning and at the end of the year

Number of shares	As at 31 st March 2024	As at 31 st March 2023
Equity shares outstanding at the beginning of the year	585,404,582	584,352,710
Add : Issue of shares (refer note 45)	1,043,196	1,051,872
Equity shares outstanding at the end of the year	586,447,778	585,404,582

Amount	As at 31 st March 2024	As at 31 st March 2023
Equity shares outstanding at the beginning of the year	5,854.05	5,843.53
Add : Issue of shares	10.43	10.52
Equity shares outstanding at the end of the year	5,864.48	5,854.05

ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iii) Details of shareholders holding more than 5% of the total number of equity shares in the Company

Number of shares	As at 31 st March 2024	As at 31 st March 2023
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	174,208,904	193,208,904
Axis Mutual Fund	39,675,502	36,816,647
Government Of Singapore	38,283,615	31,342,849
Sbi Mutual Fund	34,400,633	34,844,885
Mirae Mutual Fund	13,558,860	33,685,443

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Percentage	As at 31 st March 2024	As at 31 st March 2023
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	29.71%	33.00%
Axis Mutual Fund	6.77%	6.29%
Government Of Singapore	6.53%	5.35%
Sbi Mutual Fund	5.87%	5.95%
Mirae Mutual Fund	2.31%	5.75%

iv) The Board of Directors of the Company had approved the following: issuance of 11 (Eleven) bonus shares of face value INR 10 (Rupees Ten) each for every 1 (One) existing fully paid up equity share of face value INR 10 (Rupees Ten) each (including the equity shares issued upon conversion of the Compulsorily Convertible Preference Shares (CCPS) and accordingly 525,232,180 bonus shares were issued, which were allotted on 10th February 2020. Other than this, the Company has not issued any shares pursuant to contracts without payment being received in cash, or allotted as fully paid up by way of bonus shares during the year ended 31st March 2024 and five years immediately preceding the year ended 31st March 2024.

v) Promoters shareholding

Shareholding of promoters as on 31st March 2024

Promoter name	Number of shares	% of total shares	% change during the year
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	174,208,904	29.71	(3.29)
*Rani Kapur- RK Family Trust	72	**	-
*Ashok Sachdev	151	**	-
*Jasbir Sachdev	361	**	-
*Charu Sachdev	423	**	-
*Raghuvanshi Investment Private Limited	744	**	-
Total	174,210,655	29.71	(3.29)

Shareholding of promoters as on 31st March 2023

Promoter name	Number of shares	% of total shares	% change during the year
Singapore VII Topco III Pte. Ltd.	-	-	(34.12)
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	193,208,904	33.00	(0.06)
*Rani Kapur- RK Family Trust	72	**	-
*Ashok Sachdev	151	**	-
*Jasbir Sachdev	361	**	-
*Charu Sachdev	423	**	-
*Raghuvanshi Investment Private Limited	744	**	-
Total	193,210,655	33.00	(34.18)

* Promoter Group

** Percentage is negligible

13 (B) PREFERENCE SHARE CAPITAL

	As at 31 st March 2024	As at 31 st March 2023
Authorised share capital		
1,500,000 (31 st March 2023: 1,500,000) preference shares of INR 10 each	15.00	15.00
Issued, subscribed and paid up share capital		
Nil (31 st March 2023: Nil) Compulsorily convertible preference shares of INR 10 each fully paid up	-	-

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

14 OTHER EQUITY

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
Retained earnings	13,463.47	10,428.95
General reserve	120.00	120.00
Securities premium	5,680.81	5,601.48
Capital redemption reserve	25.93	25.93
Equity instruments through other comprehensive income	(328.28)	(328.28)
Employee's stock options reserve	155.11	46.03
Cash flow hedge reserve (net of tax) (refer note 48)	21.57	12.78
Merger Reserve	737.23	737.23
Total reserves and surplus	19,875.84	16,644.12

a) Retained earnings

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	10,428.95	7,745.62
Net profit for the year	4,844.80	3,880.90
Remeasurement of defined benefit obligations, net of tax	(17.34)	1.70
Less:-Dividend paid	(1,792.94)	(1,199.27)
Closing balance	13,463.47	10,428.95

Retained earnings are created from the profits of the Company, as adjusted for distribution to owners, transfer to other reserve, remeasurement of defined benefit plan, etc.

b) General reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	120.00	120.00
Closing balance	120.00	120.00

In earlier years, the Company transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. This reserve is available for distribution to shareholders in accordance with provisions of Companies Act, 2013.

c) Securities premium

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	5,601.48	5,522.99
Premium on ESOPs issue	29.55	29.81
Add Impact on ESOP shares issuance	49.78	48.68
Closing balance	5,680.81	5,601.48

Securities premium represents premium received on issuance of shares. The balance is utilised in accordance with the provisions of the Companies Act, 2013.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

d) Capital redemption reserve

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	25.93	25.93
Transferred from retained earnings	-	-
Closing balance	25.93	25.93

Companies Act, 2013 requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the buyback of shares in earlier years.

e) Merger Reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	737.23	737.23
Movement during the year	-	-
Closing balance	737.23	737.23

Merger Reserve has been created pursuant to merger of Sona BLW Precision Forgings Limited and Comstar Automotive Technology Private Limited.

f) Equity instruments through other comprehensive income

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	(328.28)	(328.28)
Add: Net changes in fair values of equity instruments carried at fair value through other comprehensive income	-	-
Closing balance	(328.28)	(328.28)

This represents the changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity.

g) Employee's stock options outstanding reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	46.03	64.53
Add: Created during the year (refer note 45)	158.86	30.18
Less: Utilised during the year	(49.78)	(48.68)
Closing balance	155.11	46.03

This reserve represents the shared based compensation expense recorded with the respect to options granted to employees as and when the related grant conditions are met and is adjusted on exercise/ forfeiture of options.

h) Cash flow hedge reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	12.78	-
Add: Changes in fair value of hedge instruments	(23.60)	(338.36)
Less: Amount reclassified to Profit and loss	35.35	355.48
Less: Deferred tax relating to above (net)	(2.96)	(4.34)
Closing balance	21.57	12.78

Cumulative changes in the fair value of financial instruments designated as effective hedge are recognised in this reserve through OCI (net of taxes). Amounts recognised in the hedging reserve are reclassified to the statement of profit and loss when the underlying transaction occurs.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

15 BORROWINGS

(Figures in Million INR, unless stated otherwise)

(i) Non - current borrowings

	As at 31 st March 2024	As at 31 st March 2023
Secured		
Term loans from banks		
Indian rupee loans	486.75	587.50
	486.75	587.50
Less: Amount disclosed under current borrowings (refer note 15 (ii) below)	(194.70)	(100.76)
Total non-current borrowings	292.05	486.74

Notes:

- Above term loans is secured by first pari passu charge on the entire moveable fixed assets, present and future, of the company and immovable fixed assets situated at Gurgaon only. Second pari passu charge on entire current assets of the Company.
- Repayment schedule and Interest rates for the above Term Loans are as follows:
 - Term loan from HDFC bank amounting to INR 333.33 million (31st March 2023 : INR 400.00 million) is repayable in 12 quarterly instalments w.e.f. October 2023.
 - Term loan from Citi bank amounting to INR 62.50 million (31st March 2023 : INR 87.50 million) is repayable in 16 quarterly instalments w.e.f. December 2022.
 - Term loan from Citi bank amounting to INR 90.92 million (31st March 2023 : INR 100.00 million) is repayable in 11 quarterly instalments w.e.f. March 2024.

The interest rate for the above term loans from banks as at 31st March 2024 is a floating interest rate linked with T-bill current effective rate in the range of 8.09%-8.87% p.a (31st March 2023 : 7.69%-8.89% p.a.).

(ii) Current borrowings

	As at 31 st March 2024	As at 31 st March 2023
Secured		
Indian Rupee loans repayable on demand from banks (refer note (a) below)	1,737.95	1,442.46
Indian Rupee loans repayable on demand from NBFC (refer note (b) below)	105.89	144.72
Current Maturities of non current borrowings (refer note 15(i))	194.70	100.76
Total current borrowings	2,038.54	1,687.94

Notes:

a) Indian Rupee loans repayable on demand from banks

Above working capital loan is secured by first pari passu charge on entire current assets of the Company and second pari passu charge on the entire moveable fixed assets, present and future, of the company and immovable fixed assets situated at Gurgaon only.

Repayment and rate of interest:

- Cash credit amounting to INR 9.23 million (31st March 2023 : INR 7.67 million) is repayable on demand carries interest @ floating rate linked with T-bill current year effective rate is 9.15 % p.a. (31st March 2023 : 8.66% p.a.)
- WCDL amounting to Nil (31st March 2023 : INR 11.54 million) is repayable on demand carries interest @ floating rate linked with T-bill current year effective rate is 7.45% p.a. (31st March 2023: 7.45% p.a.)
- EPC amounting to INR 1,728.72 million (31st March 2023 : 1,432.25 million) is repayable on demand carries interest @ floating rate linked with T-bill current year effective rate in the range of 5.18% - 5.54% p.a. (31st March 2023: 5.02%-6.17% p.a.)

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

b) Indian Rupee loans repayable on demand from NBFC

The Company enters into factoring arrangements with recourse for its trade receivables with Tata Capital Financial Services Limited. As at 31st March 2024 the Company had factoring facilities in place for trade receivables and amount of INR 105.89 million (31st March 2023: INR 144.72 million) were realised by using these facilities against which the monies were yet to be collected by the financial institution from the Company's customer. The Company does not derecognise the receivables from its books since, it does not transfer substantially all the risks and rewards of ownership of the financial asset (i.e. receivables) and a corresponding liability towards the banks is recognised in respect of aforementioned amounts so realised by the Company from the banks but yet to be collected by the financial institution from the Company's customers.

(iii) Reconciliation of liabilities arising from financing activities (as per requirements of Ind AS 7 'Statement of cash flows')

The changes of the Company's liabilities arising from financing activities can be classified as follows:

	Long term borrowings	Short term borrowings	Leases	Total
Balance as at 1 April 2022	450.00	253.26	763.94	1,467.21
Cash Flows:				
Repayment of non-current borrowings	(12.50)	-	-	(12.50)
Proceeds from non-current borrowings	150.00	-	-	150.00
Proceeds from current borrowings (net)	-	1,333.92	-	1,333.92
Repayment of lease liabilities	-	-	(99.26)	(99.26)
Non-cash changes				
Interest expense on lease liabilities	-	-	74.27	74.27
Balance As at 31st March 2023	587.50	1,587.18	738.95	2,913.64
Cash Flows:				
Repayment of non-current borrowings	(100.76)	-	-	(100.76)
Proceeds from non-current borrowings	-	-	-	-
Proceeds from current borrowings (net)	-	256.66	-	256.66
Repayment of lease liabilities	-	-	(108.35)	(108.35)
Non-cash changes				
Creation of lease liabilities	-	-	839.05	839.05
Interest expense on lease liabilities	-	-	77.85	77.85
Balance As at 31st March 2024	486.75	1,843.84	1,547.50	3,878.09

16 OTHER FINANCIAL LIABILITIES

	As at 31 st March 2024	As at 31 st March 2023
Non current		
Security deposits	1.74	1.74
Payable to founders of Novellic d.o.o. (refer note 46(b))	506.97	-
Payable to Novellic d.o.o. (refer note 36 and 46 (b))	179.88	-
Total other financial liabilities - non current	688.59	1.74
Current		
Interest accrued but not due on borrowings	2.79	5.25
Security deposits	3.38	3.50
Employee benefits payable	311.62	234.89
Capital creditors*	394.05	524.99
Forward contract payables (refer note 33 and 48)	-	12.46
Payable to founders of Novellic d.o.o. (refer note 46(b))	262.29	-
Payable to Novellic d.o.o. (refer note 36 and 46(b))	448.43	-
Other payables	16.40	0.60
Total other financial liabilities - current	1,438.96	781.67

* includes MSME balance of INR 58.42 million (31st March 2023 : INR 3.77 million)

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

17 PROVISIONS

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
Non current		
Provision for compensated absences (refer below and note 38)	115.01	90.84
Provision for defined benefit plans (refer note 38)	69.96	40.48
Provision for warranty (refer below)	62.72	48.27
Total provisions - non current	247.69	179.59
Current		
Provision for compensated absences (refer below and note 38)	48.29	46.71
Provision for warranty (refer below)	23.94	-
Total provisions - current	72.23	46.71

The reconciliation of the carrying amount of provision from beginning of the year to end of the year is provided below:

	As at 31 st March 2024	As at 31 st March 2023
Provision for Compensated Absences		
Opening balance	137.55	122.75
Additions	90.98	71.57
Amounts utilised	(65.23)	(56.76)
Closing balance	163.30	137.55
Provision for Warranty		
Opening balance	48.27	22.96
Additions	45.14	28.48
Amounts utilised	(6.75)	(3.17)
Closing balance	86.66	48.27

18 DEFERRED TAX LIABILITIES (NET)

Movement in deferred tax assets/liabilities

31st March 2024

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	726.57	(32.42)	-	694.15
Provision for employee benefits obligation	(72.14)	13.73	(5.84)	(64.25)
Others	35.21	42.18	2.96	80.35
Total	689.64	23.49	(2.88)	710.25

31st March 2023

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	712.26	14.31	-	726.57
Provision for employee benefits obligation	(50.52)	(22.20)	0.59	(72.14)
Others	(1.10)	36.32	-	35.21
Total	660.63	28.36	0.59	689.64

Deferred tax assets amounting to INR 82.62 million (31st March 2023 : INR 82.62 million) on fair value adjustment recognised in respect of investments held in Sona Holding B.V. The Netherlands has not been recognised due to uncertainty regarding the allowability of such loss.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

19 TRADE PAYABLES

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 41)	519.87	470.84
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,174.60	1,837.64
Total Trade payables	2,694.47	2,308.48

Note:

(i) Refer note 36 for balance payable to related parties

Trade payables aging schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	5.20	506.53	5.91	2.19	0.05	-	519.87
(ii) Others	219.32	1,454.98	482.29	4.67	11.57	1.77	2,174.60
Total	224.52	1,961.51	488.20	6.86	11.62	1.77	2,694.47

Trade payables aging schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	4.96	447.92	17.95	0.02	-	-	470.84
(ii) Others	102.10	1,515.80	217.44	0.54	0.16	1.60	1,837.64
Total	107.06	1,963.72	235.39	0.56	0.16	1.60	2,308.48

20 OTHER CURRENT LIABILITIES

	As at 31 st March 2024	As at 31 st March 2023
Statutory dues payable	83.09	66.61
Revenue received in advance (refer note 44)	198.78	170.87
Other current liabilities	11.15	-
Total current liabilities	293.02	237.48

21 CURRENT TAX LIABILITIES

	As at 31 st March 2024	As at 31 st March 2023
Income tax liabilities (net)(Net of advance tax INR 1,395.92 million (31 st March 2023: INR 1,004.42 million))	89.26	105.15
Total current tax liabilities	89.26	105.15

22 REVENUE FROM OPERATIONS

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Sale of goods*	27,887.78	23,607.76
Other operating revenue		
Scrap sales	684.66	632.21
Export incentive	294.55	229.88
Royalty income	1.46	0.27
Provision for doubtful debts written back	46.19	-
Others	3.62	6.55
Total revenue from operations	28,918.26	24,476.67

* Refer note 44.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

23 OTHER INCOME

(Figures in Million INR, unless stated otherwise)

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Interest income from bank	98.45	31.96
Profit on sale of investments	97.98	68.77
Dividend income from subsidiary (refer note 36)	203.88	327.60
Profit on sale of property, plant and equipment	-	0.61
Others	1.40	1.80
Total other income	401.71	430.74

24 (A) COST OF MATERIALS CONSUMED

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Raw material at the beginning of the year	671.79	727.78
Add: Purchases during the year	12,726.96	10,603.14
Less: Raw material at the end of year	735.13	671.79
Cost of material consumed	12,663.62	10,659.14

24 (B) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Inventories at the beginning of the year		
Work-in-progress	324.89	326.07
Finished goods	1,305.54	1,575.25
	1,630.43	1,901.32
Inventories at the end of the year		
Work-in-progress	405.19	324.89
Finished goods	1,592.34	1,305.54
	1,997.53	1,630.43
Changes in inventories	(367.10)	270.89

25 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Salaries, wages and allowances	1,602.08	1,396.60
Contribution to provident and other funds	116.71	87.64
Staff welfare expenses	245.73	195.90
Share based payment to employees (refer note 45)	147.01	30.18
Total employee benefits expense	2,111.54	1,710.33

26 FINANCE COSTS

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Interest on loans	136.39	73.07
Other borrowing costs	27.74	0.00
Other finance charges	11.89	13.93
Interest on lease liabilities (refer note 43)	77.85	74.27
Interest expenses on income tax	-	2.30
Total finance costs	253.87	163.57

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

27 DEPRECIATION AND AMORTISATION EXPENSE

(Figures in Million INR, unless stated otherwise)

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Depreciation of property, plant and equipment (refer note 3)	1,472.15	1,123.67
Amortisation of intangible assets (refer note 4)	476.69	469.06
Amortisation of right-of-use assets (refer note 3)	77.03	72.73
Total depreciation and amortisation expense	2,025.87	1,665.46

28 OTHER EXPENSES

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Consumption of stores, spares and tool	1,391.86	1,269.51
Power and fuel	812.62	647.93
Freight, clearing and forwarding charges	440.31	579.19
Packing material	411.68	350.01
Sub contracting cost	984.27	852.39
Rent (refer note 43)	44.89	20.35
Repairs and maintenance - plant and machinery	305.47	329.36
Repair and maintenance - buildings	26.90	27.34
Repair and maintenance - others	164.95	139.16
Manpower hiring on contract	622.42	478.19
Legal and professional charges (refer note (a) below)	246.09	238.55
Testing and designing charges	110.69	78.06
Software Charges	62.79	36.16
Rates and taxes	19.30	9.51
Insurance	68.24	56.03
Travelling, conveyance and vehicle expenses	192.76	172.82
Communication and stationery expenses	23.74	26.58
Security charges	29.32	28.66
Corporate social responsibility expense (refer note (b) below)	63.60	40.08
Business promotion	30.34	34.17
Directors sitting fees and commision (refer note 36)	51.36	38.00
Loss on sale of property, plant and equipments (net)	2.00	-
Allowances for expected credit loss	-	43.84
Provision for warranty	45.14	28.48
Miscellaneous expenses	114.98	143.33
Total other expenses	6,265.72	5,667.71

a) Details of payment to auditors

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Payments to the statutory auditor:		
(a) For Statutory Audit	12.50	11.85
(b) For other services	1.98	0.13
(c) For reimbursement of expenses	0.99	0.77
Total expenses	15.47	12.75

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

b) Corporate social responsibility expenditure

(Figures in Million INR, unless stated otherwise)

Details of CSR Expenditure:

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
a) Gross amount required to be spent by the Company during the year*	63.60	40.08
b) Amount spent during year is as below		
(i) Construction/ acquisition of assets	-	-
(ii) On Purpose other than above	49.56	28.53
Total Amount Spent	49.56	28.53
Amount yet to be spent	14.04	11.55

	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
Ongoing Projects and others (31st March 2024)		
Opening Balance		
With Company	-	-
In Separate CSR Unspent A/c	15.60	-
Add: Amount required to be spent during the year	55.48	8.15
Less: Amount spent during the year		
From Company's bank A/c (from the CSR obligation of financial year 2023-2024)	41.42	8.15
From Separate CSR Unspent A/c (from the CSR obligation of financial year 2022-2022 & 2022-23)	15.30	-
Closing Balance	14.36	-
With Company	-	-
In Separate CSR Unspent A/c	0.30	-

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company has transferred INR 14.04 million the unspent amount relating to ongoing project for CSR for FY 2023-24 in a 'Unspent Corporate Social Responsibility Account- Sona BLW Precision Forgings Limited- 2024' on 16th April 2024.

* Excluding CSR expense of INR 3.35 million (31st March 2023: INR 2.11 million) earmarked as administrative overhead adjusted towards salary of CSR team.

	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
Ongoing Projects and others (31st March 2023)		
Opening Balance		
With Company	-	-
In Separate CSR Unspent A/c	16.52	-
Add: Amount required to be spent during the year	18.77	21.31
Less: Amount spent during the year		
From Company's bank A/c (from the CSR obligation of financial year 2022-2023)	7.22	21.31
From Separate CSR Unspent A/c (from the CSR obligation of financial year 2022-2021 & 2021-22)	12.47	-
Closing Balance	15.60	-
With Company	-	-
In Separate CSR Unspent A/c	4.05	-

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company has transferred INR 11.55 million the unspent amount relating to ongoing project for CSR for FY 2022-23 in a 'Unspent Corporate Social Responsibility Account- Sona BLW Precision Forgings Limited- 2023' on 24th April 2023.

29 EXCEPTIONAL ITEM

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Diligence work for acquisition (refer note 50)	87.16	33.69
	87.16	33.69

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

30 INCOME TAX EXPENSE

(Figures in Million INR, unless stated otherwise)

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Current tax	1,452.51	1,070.56
Tax related to previous years	(28.68)	(33.63)
Deferred tax charge/(credit)	23.49	28.36
Total Income Tax expense	1,447.32	1,065.29

a) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Profit before income tax expense	6,292.12	4,946.19
Income tax as per statement of profit and loss	1,447.32	1,065.29
Tax at the Indian tax rate of 25.167% (31st March 2023: 25.167%)	1,583.54	1,244.81
Effect of non-deductible expenses	16.00	10.42
Transaction cost of an equity transaction	-	(10.63)
Tax effect on Dividend from foreign subsidiary taxable at a lower rate	(51.31)	(82.45)
Tax effect of ESOP exercised	(119.91)	(94.16)
Receipt of principal tax amount written off in earlier years	-	(3.13)
Others	19.00	0.44
Income tax expense (as per statement of profit and loss)	1,447.32	1,065.29

31 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Revenue expenditure charged to statement of profit and loss		
- Revenue and development expenditure charged to statement of profit and loss	369.75	283.24
- Capital expenditure (refer note 3 and 4)*	337.91	448.31
Total research and development expenses	707.66	731.55

* This includes development expenditure incurred on CWIP amounting to INR 83.36 million (31st March 2023: INR 52.32 million).

32 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	As at 31 st March 2024			As at 31 st March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	5,821.36	-	-	5,864.48
Cash and bank balances	-	-	1,977.85	-	-	541.08
Other financial assets	-	-	95.36	-	-	93.16
Derivative financial assets	18.10	-	-	-	-	-
Current Investments	271.15	-	-	2,133.11	-	-
Total financial assets	289.26	-	7,894.57	2,133.11	-	6,498.72
Financial liabilities						
Borrowings	-	-	2,333.37	-	-	2,179.94
Trade payables	-	-	2,694.47	-	-	2,308.48
Other financial liabilities	-	-	2,124.76	-	-	765.71
Lease liabilities	-	-	1,547.50	-	-	738.95
Derivative financial liabilities	-	-	-	12.46	-	-
Total financial liabilities	-	-	8,700.11	12.46	-	5,993.07

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Valuation technique to determine fair value

Cash and cash equivalents, other bank balances, trade receivables, current investment, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For valuation technique to determine fair value of derivative financial assets refer note 48.

(b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial assets/liabilities into the three levels prescribed under the accounting standard. An explanation of each level follows underneath.

i) Assets and liabilities measured at fair value - recurring fair value measurements

	Level 1	Level 2	Level 3
As at 31st March 2024			
Foreign exchange forward contracts-assets	-	18.10	-
Current investments- asset	216.21	54.94	-
Total financial asset	216.21	73.05	-
As at 31st March 2023			
Foreign exchange forward contracts- liability	-	12.46	-
Total financial Liability	-	12.46	-
Current investments - asset	2,133.11	-	-
Total financial assets	2,133.11	-	-

ii) Fair value of instruments measured at amortised cost

	As at 31 st March 2024	As at 31 st March 2023
Financial assets		
Trade receivables	5,821.36	5,864.48
Cash and bank balances	1,977.85	541.08
Other financial assets	95.36	93.16
Total financial assets	7,894.57	6,498.71
Financial liabilities		
Borrowings	2,333.37	2,179.94
Lease liabilities	1,547.50	738.95
Trade payable	2,694.47	2,308.48
Other financial liability	2,124.76	765.71
Total financial liabilities	8,700.11	5,993.07

All financial assets and financial liabilities are recorded at amortised cost the details of which are given above

There are no transfers amongst levels during the year.

Level 1: It includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs other than Level 1 inputs; and

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

33 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to provide finance to the Company to support its operations. The Company's principal financial assets include loans, trade and other receivables; cash and bank balances etc. that derive directly from its operations.

The Company's activities expose it to the financial risk of market risk, credit risk and liquidity risk. The Company enters into a certain derivative financial instrument to manage its exposure to foreign currency. There have been no major changes to the Company's exposure to market risk or the manner in which it manages and measures the risk in recent past. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- Cash and cash equivalents
- Trade receivables
- Loans carried at amortised cost, and
- Other financial assets
- Derivative financial assets

(a) Credit Risk Management

(i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- a) Low credit risk
- b) Moderate credit risk
- c) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Company provides for expected credit loss based on the following:

Asset group	Categorisation of items	Provision for expenses credit loss
Low credit risk	Cash and cash balances, loans, other financial assets and derivative financial assets	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Trade receivables	Other financial assets-12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss.
High credit risk	Other financial assets	Other financial assets-lifetime expected credit loss (when there is a significant deterioration), or specific provision, whichever is higher.

In respect of trade receivables that result from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

Financial assets that expose the entity to credit risk – (Figures in Million INR, unless stated otherwise)

Credit rating	Particulars	As at 31 st March 2024	As at 31 st March 2023
Low credit risk			
	Cash and bank balances	1,977.85	541.08
	Other financial assets	95.36	93.16
	Investment	271.15	2,133.11
	Derivative financial assets	18.10	-
Moderate credit risk	Trade receivables*	5,821.36	5,864.48

*This represent carrying values after deduction for doubtful debt provisions

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country. In respect of derivative assets, the credit risk is considered negligible as counterparties are banks.

Trade receivables

To mitigate the credit risk related to trade receivables, the Company closely monitors the credit-worthiness of the trade receivables through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

(b) Expected credit losses for financial assets (other than trade receivables)

i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

For other financial assets - Credit risk is evaluated based on Company knowledge of the Credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets.

ii) Expected credit loss for trade receivables under simplified approach

The Company recognises lifetime expected credit losses on trade receivables using a simplified approach. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance of trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, historical experience for customers etc. However, the allowance for lifetime expected credit loss on customer balances for the year ended 31st March 2024, and for the year ended 31st March 2023 is insignificant. Considering the nature of trade receivables, and entity's history of credit with those receivables, entity has rebutted the presumption of having significant increases in credit risk since initial recognition for financial assets which are more than 30 days past due.

Reconciliation of loss allowance

	As at 31 st March 2024	As at 31 st March 2023
At the beginning of year	51.26	7.42
Movement during the year	(46.19)	43.84
Total expected credit loss allowance*	5.07	51.26

* This amount of expected credit loss allowance has been created on trade receivables aged more than 90 days as on reporting date.

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(B) Liquidity risk (Figures in Million INR, unless stated otherwise)

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and maintains adequate source of financing through the use of short term bank deposits, demand loans and cash credit facility. Processes and policies related to such risks are overseen by senior management.

(i) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities:

Contractual maturities of financial liabilities:

	Less than 1 year	1 to 5 years	More than 5 years	Total
31st March 2024				
Borrowings	2,038.55	292.04	-	2,330.59
Trade payables	2,694.47	-	-	2,694.47
Other financial liabilities	1,438.96	688.59	-	2,127.55
Lease liabilities	51.44	301.91	1,194.15	1,547.50
Total	6,223.41	1,282.54	1,194.15	8,700.10
	Less than 1 year	1 to 5 years	More than 5 years	Total
31st March 2023				
Borrowings	1,687.94	486.74	-	2,174.68
Trade payables	2,308.48	-	-	2,308.48
Other financial liabilities	769.22	1.74	-	770.96
Derivative financial liabilities	12.46	-	-	12.46
Lease liabilities	30.67	204.50	503.78	738.95
Total	4,808.76	692.99	503.78	6,005.52

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to risk of changes in borrowing rates. The Board continuously monitors the prevailing interest rates in the market.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 st March 2024	31 st March 2023
Variable rate borrowings	2,330.59	2,174.68
Total borrowings	2,330.59	2,174.68

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Impact on profit after tax/Equity	31 st March 2024	31 st March 2023
Interest rate increase by 1.00% (31 st March 2023: 1.00%)*	16.86	10.78
Interest rate decrease by 1.00% (31 st March 2023: 1.00%)*	(16.86)	(10.78)

* Holding other variables constant, net of tax

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

(ii) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the trade receivables and payables. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR) also refer note 48.

The Company's exposure to foreign currency risk at the end of the reporting period expressed as follows

Foreign currency	31 st March 2024	31 st March 2023
Trade receivables and others		
United States Dollar (USD)	41.89	40.20
Euro (EUR)	3.69	1.02
Others(CNY)	0.59	-
Trade/other payables		
United States Dollar (USD)	2.25	2.38
Euro (EUR)	9.31	0.64
Japanese Yen (JPY)	264.79	269.70
Canadian Dollar (CAD)^	0.00	0.00
Swiss Franc (CHF)	0.01	0.06
Serbian Dinar (RSD)	839.36	-
Others	0.03	0.03

^Rounded off to Nil

Indian Rupee (INR)	31 st March 2024	31 st March 2023
Trade receivables and others		
United States Dollar (USD)	3,493.64	3,303.07
Euro (EUR)	331.97	91.61
Others(CNY)	6.77	-
Trade payables		
United States Dollar (USD)	187.58	195.23
Euro (EUR)	836.82	56.87
Japanese Yen (JPY)	145.82	166.14
Canadian Dollar (CAD)^	0.13	0.11
Swiss Franc (CHF)	1.27	5.68
Serbian Dinar (RSD)	643.54	-
Others	2.93	2.82

^Rounded off to Nil

Outstanding forward contracts as at the reporting date (Million USD)- Receivable	132.65	107.47
Outstanding forward contracts as at the reporting date (Million EURO)- Receivable	20.91	-
Outstanding forward contracts as at the reporting date (Million JPY)- Payable	244.58	98.21
Outstanding forward contracts as at the reporting date (Million EUR)-Payable	15.96	0.21
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	11,150.42	8,896.49
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	1,937.05	-
Outstanding forward contracts as at the reporting date (INR in million)- Payable	144.01	61.63
Outstanding forward contracts as at the reporting date (INR in million)- Payable	1,493.08	19.13

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:-

Impact on profit after tax/Equity	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Net currency receivables/(payables)		
USD sensitivity		
INR/USD- increase by 1.00% (31 st March 2023: 1.00%)*	24.74	23.10
INR/USD- decrease by 1.00% (31 st March 2023: 1.00%)*	(24.74)	(23.10)
EUR sensitivity		
INR/EURO- increase by 1.00% (31 st March 2023: 1.00%)*	(3.78)	0.26
INR/EURO- decrease by 1.00% (31 st March 2023: 1.00%)*	3.78	(0.26)
JPY sensitivity		
INR/JPY- increase by 1.00% (31 st March 2023: 1.00%)*	(1.09)	(1.23)
INR/JPY- decrease by 1.00% (31 st March 2023: 1.00%)*	1.09	1.23
CAD sensitivity		
INR/CAD- increase by 1.00% (31 st March 2023: 1.00%)*	(0.00)	(0.00)
INR/CAD- decrease by 1.00% (31 st March 2023: 1.00%)*	0.00	0.00
CHF sensitivity		
INR/CHF- increase by 1.00% (31 st March 2023: 1.00%)*	(0.01)	(0.04)
INR/CHF- decrease by 1.00% (31 st March 2023: 1.00%)*	0.01	0.04
RSD sensitivity		
INR/RSD- increase by 1.00% (31 st March 2023: 1.00%)*	(4.82)	-
INR/RSD- decrease by 1.00% (31 st March 2023: 1.00%)*	4.82	-

* Holding other variables constant, net of tax

34 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements

The Company monitors capital using net debt to equity ratio, which is net debt (as reduced by cash and cash equivalent) divided by total equity.

	31 st March 2024	31 st March 2023
Long term borrowings including current maturities (refer note 15)	486.75	587.50
Short term borrowings (refer note 15)	1,843.84	1,587.18
Less: Cash and cash equivalents (refer note 11)	(246.01)	(283.80)
Net debts *	2,084.59	1,890.89
Equity share capital (refer note 13)	5,864.48	5,854.05
Other equity (refer note 14)	19,875.84	16,644.12
Total equity	25,740.32	22,498.17
Net Gearing ratio	8.10%	8.40%

* Excluding lease liabilities

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Dividends	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Equity share		
Final dividend of INR 1.53 per each 585,415,582 equity share	895.68	-
Interim dividend of INR 1.53 per each 58,64,41,810 equity share	897.26	-
Interim dividend of INR 1.28 per each 585,404,582 equity share	-	749.32
Final dividend of INR 0.77 per each 584,352,710 equity share	-	449.95
	1,792.94	1,199.27

The Board of Directors of the Company in its meeting held on April 30, 2024 has approved and recommended final dividend of INR 1.53/- i.e (15.3%) per equity share of the Company having face value of INR 10/- each for the financial year 2023-2024, subject to approval from shareholders.

35 SEGMENT INFORMATION

The Company's operating business is organised and managed according to a single primary reportable business segment namely "Automotive Components". The Company has opted to provide segment information in its consolidated Ind AS financial statements in accordance with para 4 of Ind AS 108 - Operating Segments.

36 RELATED PARTY DISCLOSURES

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

(a) Names of related parties and nature of relationship

(i) The entity having substantial interest in the Company

Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)

Singapore VII Topco III Pte Ltd. (with effect from 21st June 2021 till 13th March 2023)

(ii) Key Management Personnel

Name	Designation
Mr. Vivek Vikram Singh	Managing Director & Group CEO
Mr. Vadapalli Vikram Verma	Chief Executive Officer (Driveline Business)
Mr. Sat Mohan Gupta	Chief Executive Officer (Motor business)
Mr. Rohit Nanda	Group Chief Financial Officer
Mr. Ajay Pratap Singh	Vice President (Legal) & Company Secretary
Non executive Directors	
Mr. Sunjay Kapur	Chairman and Non-Executive Director
Mr. Prasan Abhaykumar Firodia	Independent director
Mr. Subbu Venkata Rama Behara	Independent director
Mr. Amit Dixit	Director
Mr. Ganesh Mani	Director (till 19 th July 2023)
Mrs Shradha Suri	Independent director
Mr. Jeffrey Mark Overly	Independent Director
Mrs. Manisha Girotra	Independent Director (w.e.f. 01 st January 2024)
Relative of KMP	
Mr. Tanay Gupta	Son of Mr. Sat Mohan Gupta

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

(iii) Subsidiary companies

Comstar Automotive Hongkong Limited

Comstar Automotive USA LLC

Comstar Automotive Technology Services Private Limited

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

Comstar Automotive (Hangzhou) Co., Ltd

Comstar Hong Kong Mexico No. 1, LLC

Comestel Automotive Technologies Mexicana Ltd

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

Sona Comstar eDrive Private Limited

Sona BLW Edrive Mexicana, S.A.P.I DE C.V. (w.e.f. 22nd September 2023)

NOVELIC d.o.o. Beograd (w.e.f. 06th September 2023)

NOVELIC SRL (w.e.f. 06th September 2023)

NOVELIC ESC DOOEL SKOPJE (w.e.f. 06th September 2023)

NIRSEN D.O.O (w.e.f. 06th September 2023)

(iv) Promoter Group

Rani Kapur - RK Family Trust

Raghuvanshi Investment Private Limited

Charu Sachdev

Jasbir Sachdev

Ashok Sachdev

(i) Entity having substantial interest

Transactions	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Dividend paid		
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	533.08	396.08
Singapore VII Topco III pte Ltd.	-	307.01

(ii) Key Management Personnel *

Transactions	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Managerial remuneration		
Mr. Vivek Vikram Singh	36.36	32.03
Mr. Vadapalli Vikram Verma	37.28	29.02
Mr. Rohit Nanda	30.20	25.63
Mr. Ajay Pratap Singh	10.06	8.20
Mr. Sat Mohan Gupta	24.83	23.56
Remuneration to relative of KMP		
Mr. Tanay Gupta	1.32	2.17
Issue of equity shares under ESOP Scheme		
Mr. Vivek Vikram Singh	8.46	8.46
Mr. Vadapalli Vikram Verma	6.10	6.10
Mr. Rohit Nanda	4.57	4.57

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Transactions	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Mr. Ajay Pratap Singh	1.83	1.10
Mr. Sat Mohan Gupta	6.10	6.10
Share based payment charged in profit and loss account		
Mr. Vivek Vikram Singh	25.07	6.07
Mr. Vadapalli Vikram Verma	16.09	4.37
Mr. Rohit Nanda	12.82	3.28
Mr. Ajay Pratap Singh	4.85	1.10
Mr. Sat Mohan Gupta	16.09	4.37
Director Sitting Fee		
Mr. Prasan Abhaykumar Firodia	0.36	0.70
Mr. B.V.R. Subbu	0.28	1.75
Mr. Jeffrey Mark Overly	0.38	2.30
Mrs. Shradha Suri	0.20	1.10
Mrs. Manisha Girotra	0.07	-
Commission		
Mr. Sunjay Kapur	24.00	24.00
Mr. Jeffrey Mark Overly	8.20	5.90
Mr. B.V.R. Subbu	5.50	2.25
Mrs. Manisha Girotra	1.38	-
Mr. Shradha Suri	5.50	-
Mr. Prasan Abhaykumar Firodia	5.50	-
Dividend paid		
Mr. Vadapalli Vikram Verma	0.95	0.37
Mr. Vivek Vikram Singh	0.59	0.28
Mr. Ajay Pratap Singh	0.03	0.02
Mr. Sat Mohan Gupta	0.66	0.31
Mr. Rohit Nanda	-	0.08
Mrs. Shradha Suri	#	#
Rani Kapur - RK Family Trust	#	#
Raghuvanshi Investment Private Limited	#	#
Charu Sachdev	#	#
Jasbir Sachdev	#	#
Ashok Sachdev	#	#
Sale of Vehicle		
Mr. Vadapalli Vikram Verma	0.31	-
Mr. Kiran Manohar Deshmukh	0.57	-
Sat Mohan Gupta	1.01	-

* Break- up of Key management personnel remuneration

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Short-term employee benefits	140.05	120.61

* Including provident fund and any other benefit.

* Gratuity and leave encashment amounts accrued attributable to key management personnel cannot be separately determined and hence not included in transactions above.

* The shareholders, in the Annual General Meeting (AGM) held on 9th September 2021 had approved the Exit Return Incentive (ERI) Plan for payment of awards by Singapore VII Topco III PTE. Ltd. (Singapore VII) to certain identified employees of the Group. Accordingly, Singapore VII has made payment of awards to such identified employees between 28th April 2023 and 12th May 2023. There is however no financial impact of such payments on the Company.

Number less than INR 10,000

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

(iii) Subsidiary companies

Transactions	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Dividend Received		
Comstar Automotive USA LLC	203.88	327.60
Rent Received		
Sona Comstar Edrive Pvt Ltd	0.05	0.06
Corporate Guarantee given		
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	42.50	-
Corporate Guarantee fee received		
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	0.08	-
Service rendered		
Comstar Automotive Technology Services Private Limited	2.42	-
Investment in the shares		
NOVELIC d o o Beograd	675.84	-
Sona Blw Edrive Mexicana, S.A.P.I. De C.V	12.74	-
Sale of goods		
Comstar Automotive USA LLC	778.12	854.19
Comestel Automotive Technologies Mexicana Limited	239.54	326.64
Comstar Automotive Hangzhou Co. Ltd.	0.06	9.70
Purchase of goods		
Comstar Automotive Hangzhou Co. Ltd.	17.64	-

(c) Details of balances with related parties at year end

(i) Key Management Personnel

Balances as at year end	As at 31 st March 2024	As at 31 st March 2023
Payables		
Mr. Vivek Vikram Singh	15.98	11.21
Mr. Rohit Nanda	10.50	6.29
Mr. Vadapalli Vikram Verma	15.13	8.94
Mr. Jeffrey Mark Overly	-	5.90
Mr. Ajay Pratap Singh	3.49	2.14
Mr. Sat Mohan Gupta	7.49	5.46
Mr Subbu Venkata Rama Behara	-	2.25
Mr. Tanay Gupta	0.18	0.32

(ii) Subsidiary companies

Balances as at year end	As at 31 st March 2024	As at 31 st March 2023
Receivable		
Comstar Automotive USA LLC	63.57	79.91
Comstar Automotive Hangzhou Co. Ltd.	0.06	-
Comestel Automotive Technologies Mexicana Ltd	45.22	173.69
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	0.08	-
Comstar Automotive Technologies Services Private Limited	2.62	-
Payable		
NOVELIC d.o.o.	628.31	-
Comestel Automotive Technologies Mexicana Ltd	0.14	-
Comstar Automotive Hangzhou Co. Ltd.	7.65	-

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Terms and conditions

All the transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured.

Corporate guarantee given on behalf of Sona Comstar Edrive Private Limited is Nil (31st March 2023 : 83.23 million).

37 EARNINGS PER SHARE

	31 st March 2024	31 st March 2023
Total profit attributable to the equity holders of the Company used for basic and diluted earnings per share (A)	4,844.80	3,880.90
Total number of equity shares at the beginning of the year	585,404,582	584,352,710
Issue of shares	1,043,196	1,051,872
Total number of equity shares at the end of the year	586,447,778	585,404,582
Effect of exercise of share options	60,718	514,926
Total number of equity shares (including options) at the end of the year	586,508,496	585,919,508
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	585,855,017	584,687,932
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (B)	585,855,017	584,687,932
Effect of exercise of share options	60,718	514,926
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (C)	585,915,735	585,202,858
Nominal Value per share (in INR)	10.00	10.00
(a) Basic earnings per share (in INR)	8.27	6.64
(b) Diluted earnings per share (in INR)	8.27	6.63

38 EMPLOYEE BENEFITS

A Defined contribution plans:

Particulars	31 st March 2024	31 st March 2023
a) Provident fund	127.36	84.64
b) Employees state insurance corporation	0.36	0.32
c) Labour welfare fund	0.39	0.33
d) Super annuation	1.89	1.78
e) National Pension Scheme	15.72	11.59
	145.72	98.66

B Defined benefit plans:

(i) Gratuity

The Company operates post retirement defined benefit plan for retirement gratuity, which is funded. The Company through the gratuity trust has taken Company gratuity policy of Life Insurance Corporation of India Gratuity Scheme.

Details of changes and obligation under the defined benefit plan is given as below:-

I Expense recognised in the statement of profit and loss

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Current service cost	26.70	24.21
(ii) Interest cost	20.80	16.17
(iii) Expected return on plan assets	(18.28)	(14.05)
Net expense recognised in the statement of profit and loss	29.22	26.33

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

II Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Actuarial changes arising from changes in demographic assumptions	4.16	(2.10)
(ii) Actuarial changes arising from changes in financial assumptions	4.37	(9.76)
(iii) Actuarial changes arising from changes in experience adjustments	14.95	10.75
(iv) Return on plan assets greater than discount rate	(0.29)	(1.18)
Net expense recognised in other comprehensive income	23.18	(2.29)

III Changes in obligation

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Opening balance	296.02	263.66
(ii) Current service cost	26.70	24.21
(iii) Interest cost	20.80	16.18
(iv) Actuarial (gain)/loss	23.48	(1.11)
(v) Benefit payments from plan assets	(6.61)	(6.92)
Present value of obligation as at year end	360.38	296.02

IV Changes in plan assets

Particular	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Fair value of plan assets as at the beginning of the period	255.54	224.53
(ii) Interest income	18.28	14.05
(iii) Contributions by employer	22.92	22.70
(iv) Benefit payments from plan assets	(6.61)	(6.92)
(v) Actuarial gain/(loss) on plan assets	0.29	1.18
Fair value of plan assets	290.41	255.54

V Net assets / liabilities

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Present value of obligation at the end of the year	360.38	288.30
(ii) Fair value of plan assets at the end of the year	290.41	255.54
(iii) Net liabilities recognised in the balance sheet		
- Non current	69.97	40.48
- Current	-	-

VI Experience adjustment

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Experience adjustment loss on plan liabilities	6.11	6.49

VII Investment details

The Company has invested in gratuity funds which is administered through Life Insurance Corporation of India. The detail of investment maintained by Life Insurance Corporation are not made available to the Company and have therefore not been disclosed.

VIII Principal actuarial assumptions (Gratuity and Compensated absence)

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Discount rate (per annum)	7.15%-7.30%	7.15%-7.30%
Expected increase in salary costs (per annum)	8.00-10.00%	8.00-9.00%
Attrition rate	15.00-16.00%	15.00-20.00%
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Retirement age	58 and 60 years	58 and 60 years

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

IX Quantitative sensitivity analysis for significant assumptions is as below: (Figures in Million INR, unless stated otherwise)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

	Impact on defined benefit obligation	
	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Delta effect of +1% change in rate of discounting	(12.68)	(13.48)
Delta effect of -1% change in rate of discounting	13.67	14.41
Delta effect of +1% change in rate of salary increase	13.38	14.13
Delta effect of -1% change in rate of salary increase	(12.60)	(13.41)

X Maturity profile of defined benefit obligation (undiscounted)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	Within the next 12 months (next annual reporting period)	59.60
Between 2 and 5 years	189.96	167.66
Between 6 and 10 years	160.42	119.83
Total expected payments	409.98	344.07

XI The average duration of the defined benefit plan obligation at the end of the reporting period is 5-6.23 years (31st March 2023: 4 - 6.27 years)

XII The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The expected contribution to the plan is expected to be similar to that of current year.

XIII Plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age.

39 CONTINGENT LIABILITIES

	As at 31 st March 2024	As at 31 st March 2023
a) Claims against the Company not acknowledged as debts		
i) Service tax		
Cases pending before Appellate authorities in respect of which the Company has filed appeals/show cause notices. (FY 2005-06 to 2007-08)	0.47	0.47
ii) Income Tax *		
Income Tax Appellate Tribunal restored the matter with the Jurisdictional Ld. Assessing officer (AY-2011-12)	-	2.14
Income Tax Appellate Tribunal restored the matter with the Jurisdictional Ld. Assessing officer (AY-2012-13)	-	3.18
Cases pending before Transfer pricing officer (AY-2013-14)	2.12	2.12
Cases pending before Transfer pricing officer (AY-2016-17)	2.74	2.50
Cases pending before CIT in respect of which the Company has filed appeal (AY-2017-18)**	90.85	84.05
Cases pending before CIT and Assessing officer in respect of which the Company has filed appeal (AY-2018-19)	7.15	6.96
(iii) Central Excise Act, 1944		
Case pending before Directorate General of Goods And Service Tax Intelligence in respect of which the Company has filed appeals. (FY 2014-15 to FY 2017-18)	0.61	14.85
(iv) Goods and Services tax Act		
Writ petition filed before high court***	281.97	281.97

*Amount paid under protest of INR 17.47 million (31st March 2023: INR 24.48 million)

** Total disputed amount of the case is INR 99.48 million (31st March 2023: INR 85.88 million) (including interest liability) out of which INR 8.63 million (31st March 2023: INR 8.63 million) (including interest liability) has been provided as a provision and balance amount is being disclosed as a contingent liability.

*** Writ Petition challenging vires of Rule 96(10) of CGST Rules 2017, Based on professional advice, the Company believes that the case will be decided in their favour and hence no provision has been considered

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

As hearing date has not yet been set and therefore it is not practicable to state the timing of the payment, if any.

b) There are labour cases pending before High Court and Labour Commissioner/Officer. The Company has been legally advised that the cases filed by the employees are not sustainable in law and accordingly no provision has been made therefore. Moreover no monetary claim was filed or is pending.

c) Duty paid and related export obligation status with respect to EPCG licenses which is six times of the duty saved, obtained by the Company are as under :

Particulars	As at 31 st March 2024	As at 31 st March 2023
Export obligation pending	2,684.22	3,203.19

d) The company has given letter of undertaking to its subsidiary company namely "Comstar Automotive Hongkong Limited" to provide financial support if any required by the subsidiary company, for the year from 1st April 2024 to 31st March 2025 to allow it to continue as a going concern.

40 CAPITAL COMMITMENTS

	As at 31 st March 2024	As at 31 st March 2023
Estimated amount of contracts to be executed on capital account not provided for (net of advances)	1,597.56	986.48

41 DUES TO MICRO AND SMALL ENTERPRISES

	As at 31 st March 2024	As at 31 st March 2023
a) Principal amount due to suppliers registered under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) and remaining unpaid as at year end	572.71	468.60
b) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year;	6.20	5.67
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	6.20	5.67

42 INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013 AND REGULATION 34 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015

Name of Company	As at 31 st March 2024	Maximum amount outstanding during the year	As at 31 st March 2023	Maximum amount outstanding during the year
Details of investment made in Comstar Automotive USA LLC	1,248.90	1,248.90	1,248.90	1,248.90
Details of investment made in Comstar Automotive Technology Services Private Limited	73.80	73.80	73.80	73.80
Details of investment made in Comstar Automotive Hong Kong Limited	229.45	229.45	229.45	229.45
Details of investment made in Sona Comstar eDrive Private Limited	15.00	15.00	15.00	15.00
Details of investment made in NOVELIC d o o Beograd	3,506.37	3,506.37	-	-
Details of investment made in Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	13.03	13.03	-	-
Details of investment made in Clean Max Calypso Privtae Limited	54.94	54.94	-	-
Details of corporate guarantee given on behalf of Sona Comstar eDrive Private Limited *	-	-	83.23	83.23
Details of corporate guarantee given on behalf of Sona BLW Edrive Mexicana, S.A.P.I DE C.V.*	42.50	42.50	-	-

* Corporate guarantee given to a vendor/lessor.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

43 LEASES

(Figures in Million INR, unless stated otherwise)

- The Company has entered into lease arrangements for land, building and plant and machinery that are renewable on a periodic basis with approval of both lessor and lessee.
- The Company does not have any lease commitments towards variable rent as per the contract.
- Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over land and building the Company must keep those properties in a good state of repair and return the properties in their original condition, except for normal wear and tear, at the end of the lease. Further, the Company shall insure items owned by it and incur maintenance fees on such items in accordance with the lease contracts.

iv) Lease liabilities are presented in the statement of financial position as follows:

	As at 31 st March 2024	As at 31 st March 2023
Current	51.44	30.67
Non-current	1,496.06	708.28
Total	1,547.50	738.95

v) Future minimum lease payments are as follows:

Particulars	As at 31 st March 2024		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	194.30	142.86	51.44
1-5 years	810.20	508.29	301.91
More than 5 years	1,750.05	555.90	1,194.15
Total	2,754.55	1,207.05	1,547.50

Particulars	As at 31 st March 2023		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	102.29	71.62	30.67
1-5 years	449.87	245.36	204.50
More than 5 years	678.14	174.36	503.78
Total	1,230.31	491.35	738.95

vi) The following are amounts recognised in profit or loss:-

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Depreciation expense of right-of-use assets	77.03	72.73
Interest expense on lease liabilities	77.85	74.27
Rent expense (relating to short term leases on which lease liability is not recognised)	44.89	20.35
Total	199.77	167.34

vii) Total cash outflow pertaining to leases

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Total cash outflow pertaining to leases during the year ended	108.35	99.26

The Company determines the leases term as either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

44 REVENUE FROM CONTRACTS WITH CUSTOMERS

(Figures in Million INR, unless stated otherwise)

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Revenue by geography		
Domestic	11,797.43	10,848.36
Export	16,090.35	12,759.40
Total	27,887.78	23,607.76
Revenue (timing)		
Revenue recognised at point in time	27,646.46	23,267.88
Revenue recognised over a period	241.32	339.88
Total	27,887.78	23,607.76

(b) Liabilities related to contracts with customers*

Particulars	As at 31 st March 2024	As at 31 st March 2023
Opening balance	170.87	156.97
Income recognised from advance	(334.93)	(421.78)
Advance received from customers during the year	362.84	435.67
Advance from customers (refer note 20)	198.78	170.87

(c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

There are insignificant discounts offered by the Company to its customers for the year ended 31st March 2024 INR 0.76 million (31st March 2023: INR 0.42 million)

(d) Contract assets*

Particulars	As at 31 st March 2024	As at 31 st March 2023
Opening balance	44.61	56.08
Adjusted during the year	11.21	11.46
Closing balance (refer note 8)	33.40	44.61

* Performance obligations pertaining to balance of contract assets and contract liabilities will get satisfied with in next 12 months.

45 A) SHARE BASED PAYMENTS

Employee Stock Option Scheme Sona BLW Precision Forging Limited- 2020 ('Sona BLW ESOP Plan-2020') was approved by the shareholders of the Sona BLW Precision Forgings Limited on 30 September 2020. The maximum number of Options to be granted under the Sona BLW ESOP Plan-2020 shall be 3,342,672 Options which shall upon exercise shall convert into maximum 3,342,672 Shares. The Sona BLW ESOP Plan entitles employees of the Company to exercise shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan-2020
Exercise Price	INR 38.34
Grant date	01 st October 2020
Vesting schedule	1,087,740 options 12 months after the grant date ('First vesting') 1,087,740 options 24 months after the grant date ('Second vesting') 1,087,740 options 36 months after the grant date ('Third vesting')
Exercise period	Stock options can be exercised within a period of 3 years from vesting date.
Number of share options granted	3,263,220
	The total pool of Options that can be granted under the ESOP Plan is 3,342,672 (Thirty three lakhs forty two thousand six hundred seventy two) Options out of which 3,263,220 (Thirty two lakhs sixty three thousand two hundred twenty) options were granted to the employees.
Method of settlement	Equity

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Stock options will be settled by issue of equity shares of the Company. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of INR 38.34 per option which against the fair market value of INR 79.17 per share determined on the date of grant, i.e. 01st October 2020.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. Total Company share based payment to employees amounting INR 8.70 million for the year ended 31st March 2024 (INR 30.18 million for the year ended 31st March 2023) is recognised in the statement of profit and loss of the Company pertaining to options issued to employees of the Company. The following principal assumptions were used in the valuation: Expected volatility was determined by comparison with peer companies, as the Company's shares were not publicly traded at that time. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 1.6% based on the the expected dividend payout by the management. The risk-free rate is the rate associated with a risk-free security with the same maturity as the option. At each balance sheet date, the Company reviewed its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the profit or loss in statement of comprehensive income, with a corresponding adjustment to 'retained earnings' in equity. The fair value of option using Black Scholes model and the inputs used for the valuation for options that have been granted during the reporting period are summarised as follows:

Particulars	First vesting	Second vesting	Third vesting
Grant date	01 st October 2020	01 st October 2020	01 st October 2020
Vesting date	01 st October 2021	01 st October 2022	01 st October 2023
Expiry date	01 st October 2024	01 st October 2025	01 st October 2026
Fair value of option at grant date using Black Scholes model	44.38	46.28	47.72
Exercise price	38.34	38.34	38.34
Expected volatility of returns	46.19%	46.63%	46.51%
Term to expiry	2.5 years	3.5 years	4.5 years
Expected dividend yield	1.60%	1.60%	1.60%
Risk free interest rate	4.64%	5.04%	5.23%

During the year ended 31st March 2021, the Board of Directors of the Company has approved the issuance of 11 (Eleven) bonus shares of face value INR 10 (Rupees Ten) each for every 1 (One) existing fully paid up equity share of face value INR 10 (Rupees Ten) each. Accordingly number of options has been increased to twelve times of original options and fair value and exercise price of options has been reduced to one twelfth from previous values.

The total outstanding and exercisable share options and weighted average exercise prices for the various categories of option holders during the reporting periods are as follows:

Particulars	31-03-2024	31-03-2023
Options outstanding at the beginning of the period	1,130,548	2,182,420
Number of employees to whom options were granted	62	62
Options vested	1,056,900	1,081,764
Options exercised (including option exercised from Second Vesting)	1,043,196	1,051,872
Options forfeited/ lapsed/ cancelled	24,864	-
Option expired during the year	Nil	Nil
Options outstanding	Vested:62,488	Vested:48,784
Options outstanding	Unvested: 0	Unvested: 1,081,764
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	1,043,196	1,051,872
Money realised by exercise of options (in INR)	39,996,135	40,328,772
Options outstanding at the period end	-	1,130,548
Options exercisable at the period end	62,488	48,784
Total number of options in force (excluding options not granted)	-	1,130,548
Weighted average remaining contractual life of outstanding options (in years)	2.50	3.50

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Sona BLW ESOP Plan. The employee compensation cost as per fair value method for the year ended 31 st March 2024 is INR 8.70 million (for the year ended 31 st March 2023 was INR 30.18 million)
Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted one Ordinary Shares of the Company upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from vesting date.
Employee wise details of options granted to	
(i) Key Managerial Personnel	Mr. Vivek Vikram Singh Mr. Rohit Nanda Mr. Ajay Pratap Singh Mr. Vadapalli Vikram Verma Mr. Sat Mohan Gupta Share based payment to Key Managerial Personnel for the year ended 31 st March 2024 is INR 5.55 million (31 st March 2023 was ₹ 19.19 million)
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	None
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted to any identified employees during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

(B) SHARE BASED PAYMENTS

Employee Stock Option Scheme Sona BLW Precision Forging Limited- 2023 ('Sona BLW ESOP Plan-2023') was approved by the shareholders of the Sona BLW Precision Forgings Limited on 19th July 2023. The maximum number of Options to be granted under the Sona BLW ESOP Plan-2023 shall be 7,610,402 Options which shall upon exercise shall convert into maximum 7,610,402 Shares. The Sona BLW ESOP Plan - 2023 entitles employees of the Company to exercise shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan -2023		
	25 th October 2023	15 th March 2024	
Grant date	25 th October 2023	15 th March 2024	
Exercise Price	INR 508.95	INR 641.60	
Vesting schedule	1,706,650 options	25,000 options	12 months after the grant date ('First vesting')
	1,706,650 options	25,000 options	24 months after the grant date ('Second vesting')
	1,706,650 options	25,000 options	36 months after the grant date ('Third vesting')
	1,706,650 options	25,000 options	48 months after the grant date ('Fourth vesting')
Number of share options granted	6,826,600	100,000	
Exercise period	Stock options can be exercised within a period of 3 years from vesting date.		
	The total pool of Options that can be granted under the ESOP Plan is 7,610,402 (Seven million six hundred ten thousand four hundred two) Options out of which 6,926,600 (Six million nine hundred forty-nine thousand four hundred) options were granted to the employees.		
Method of settlement	Equity		

Stock options will be settled by issue of equity shares of the Company. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of INR 508.95/ INR 641.60 per option which against the fair market value of INR 508.95/INR 641.60 per share determined on the date of grant, i.e. 25th October 2023 and 15th March 2024 respectively.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. Total Company share based payment to employees amounting INR 138.31 million (excluding INR 11.57 million capitalised) for the year ended 31st March 2024 (Nil for the year ended 31st March 2023) is recognised in the statement of profit and

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

loss of the Company pertaining to options issued to employees of the Company. The following principal assumptions were used in the valuation: Expected volatility was determined basis 50% weight to Sona BLW Precision Forgings Limited and a balance of 50% weight equally to the other comparable companies. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 0.55% and 0.48% based on the the expected dividend payout by the management. The risk-free rate is the rate associated with a risk-free security with the same maturity as the option. At each balance sheet date, the Company reviewed its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the profit or loss in statement of comprehensive income, with a corresponding adjustment to 'retained earnings' in equity. The fair value of option using Black Scholes model and the inputs used for the valuation for options that have been granted during the reporting period are summarised as follows:

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Grant Date 25th October 2023				
Vesting date	25 th October 2024	25 th October 2025	25 th October 2026	25 th October 2027
Expiry date	25 th October 2027	25 th October 2028	25 th October 2029	25 th October 2030
Fair value of option at grant date using Black Scholes model	82.10	132.40	169.70	199.40
Exercise price	508.95	508.95	508.95	508.95
Expected volatility of returns	29.95%	35.37%	37.33%	38.20%
Term to expiry (Years)	1.17	2.17	3.17	4.17
Expected dividend yield	0.55%	0.55%	0.55%	0.55%
Risk free interest rate	6.82%	6.94%	7.01%	7.05%
Grant Date 15th March 2024				
Vesting date	15 th March 2025	15 th March 2026	15 th March 2027	15 th March 2028
Expiry date	15 th March 2028	15 th March 2029	15 th March 2030	15 th March 2031
Fair value of option at grant date using Black Scholes model	107.30	160.30	209.90	248.80
Exercise price	641.60	641.60	641.60	641.60
Expected volatility of returns	31.54%	33.56%	36.56%	37.87%
Term to expiry (Years)	1.17	2.17	3.17	4.17
Expected dividend yield	0.48%	0.48%	0.48%	0.48%
Risk free interest rate	6.66%	6.70%	6.73%	6.75%

The total outstanding and exercisable share options and weighted average exercise prices for the various categories of option holders during the reporting periods are as follows:

Particulars	31-03-2024
Options outstanding at the beginning of the period	-
Number of employees to whom options were granted	91
Options vested	-
Options exercised	-
Options forfeited/ lapsed/ cancelled	-
Option expired during the year	-
Options outstanding	Unvested: 69,26,600
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	-
Money realised by exercise of options (in INR)	-
Options outstanding at the period end	-
Options exercisable at the period end	-
Total number of options in force (excluding options not granted)	69,26,600
Weighted average remaining contractual life of outstanding options (in years)	2.67

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Sona BLW ESOP Plan. The employee compensation cost as per fair value method for the year ended 31 st March 2024 is INR 138.31 million (excluding INR 11.57 million capitalised) (for the year ended 31 st March 2023 was Nil)
Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted one Ordinary Shares of the Company upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from vesting date
Employee wise details of options granted to	
(i) Key Managerial Personnel	Mr. Vivek Vikram Singh Mr. Rohit Nanda Mr. Ajay Pratap Singh Mr. Vadapalli Vikram Verma Mr. Sat Mohan Gupta Share based payment to Key Managerial Personnel for the year ended 31 st March 2024 is INR 69.38 million (31 st March 2023 was Nil)
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	None
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted to any identified employees during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

46 (A) INTANGIBLE ASSETS IMPAIRMENT TESTING

Goodwill

As per note no. 4 , Company has recognised an amount of INR 1,582.24 million as Goodwill including assembled workforce and future customers. Annual test for impairment of goodwill was carried out as at 31st March 2024 and 31st March 2023, details of which are outlined below. The outcome of the test indicated that the value in use of business was higher than its carrying value in those CGU's (Cash generating unit). Accordingly, no impairment charge has been recognised in the standalone statement of profit and loss.

The recoverable amount of each CGU was determined based on value-in-use calculations using a discount rate ranging between 13.00%-14.50% reflecting current market assessments of the time value of money and risks specific to the business, covering a detailed five-year forecast , followed by an extrapolation of expected cash flows using a terminal growth rate of approximately 3.5% - 4.5% as determined by the management.

Brand

On 1 August 2018, the Company acquired SONA Intellectual property rights ("Sona IP") and all rights thereto from SONA Management Services Limited ("SMSL") having indefinite useful lives, pursuant to which the company had recognised brand amounting to INR 687.40 million. This was due to the expectation of permanent use of acquired brand. The Company

tests on an annual basis whether the brand is impaired based on the value-in-use concept of the entity basis certain inputs outlined below. In March 2024 and March 2023, there was no impairment identified for the brand.

The recoverable amount of the entity was determined on the basis of value in use based on the present value of the expected future cash flows. This calculation uses cash flow projections based on the financial planning covering a five-year period in total. The management believes that any reasonable possible changes in the key assumptions would not cause the Brand's carrying amount to exceed its recoverable amount.

The recoverable amount of the brand was determined based on value-in-use calculations for the company using a discount rate ranging between 13%-14% reflecting current market assessments of the time value of money and risks specific to the business as at the respective dates, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows using a terminal growth rate ranging between 4%-5% as determined by the management.

Intangible assets under development

As per note no. 5 , the Company had recognised an amount of INR 453.29 million (31st March 2023 : INR 217.79 million) as Intangible assets under development. Annual test for impairment of Intangible assets under development was carried out as at 31st March 2024 and 31st March 2023, details of which are outlined below. The outcome of the test indicated that the value in use of business was higher than its

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

carrying value in those CGU's (Cash generating unit). Accordingly, no impairment charge has been recognised in the standalone statement of profit and loss.

The recoverable amount of each CGU was determined based on value-in-use calculations using a discount rate ranging between 13.00%-14.50% reflecting current market assessments of the time value of money and risks specific to the business, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows using a terminal growth rate of approximately 3.5%- 4.5% as determined by the management.

Growth rates

The growth rates used are in line with the growth rate of the industry and the countries in which the entities operates and are consistent with the internal/external sources of information.

Discount rates

The discount rates take into the consideration market risk and specific risk factors of the entity. The cash flow projections are based on the forecasts made by the management.

Terminal growth rate

The terminal growth rate is the constant rate at which an entity is expected to grow at the end of the last forecasted cash flow period in a discounted cash flow model and goes into perpetuity.

Sensitivity

The management believes that any reasonable possible changes in the key assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

(B) Investment in Novelic d.o.o. Beograd Zvezdara

The Company has acquired 54% stake (representing 54% voting interest) of Novelic d.o.o., world's leading self-sustaining provider of mmWave radar sensors, perception solutions, and full stack embedded systems on 6th September 2023 for its unique & patented mmWave radar technology which is the best solution for in-cabin sensing.

As on 31st March 2024 amount of INR 1397.56 million payable under a deferred payment mechanism in 2 tranches to founders of Novelic d.o.o. and Novelic d.o.o., as per the Share purchase agreement and shareholder agreement.

(C) Impairment of Investment in Novelic d.o.o. Beograd Zvezdara

As mentioned in the note no.5, the Company has invested an amount of INR 3,506.37 million for acquisition of 54% voting rights of Novelic d.o.o. Beograd Zvezdara. Test for impairment of this investment was carried out as at 31st March 2024, details of which are outlined below. The outcome of the test indicated that the value in use of investment was higher than its carrying value as at 31st March 2024. Accordingly, no impairment charge has been recognised in the standalone statement of profit and loss.

The recoverable amount of this investment was determined based on value-in-use calculations using a discount rate ranging between 22.00%-25.00% reflecting current market assessments of the time value of money and risks specific to the business, covering a detailed ten-year forecast, followed by an extrapolation of expected cash flows using a terminal growth rate of approximately 3.00% - 4.00% as determined by the management.

47 With effect from 1 April 2022, the Company has designated certain forward contracts in the cash flow hedge relationship as eligible hedging instruments for the hedge of foreign currency exposure of highly probable forecasted sales in accordance with Ind AS 109, Financial Instruments. Pursuant to this, the effective portion of change in fair value of the hedging instruments has been recognised in 'cash flow hedge reserve' under other comprehensive income. Amount recognised in cash flow hedge reserve is reclassified to profit or loss as and when the hedged item affects the profit / loss or the hedges are no longer effective.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

48 HEDGE ACCOUNTING:

(i) Disclosures of effects of hedge accounting on balance sheet:

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As on 31st March 2024								
Foreign currency risk								
(i) Foreign exchange forward contracts*	13,087.47	35.88	-	April 2024 to January 2026	1:1	USD : 83.04 to 84.86 EUR: 89.57 to 95.90	47.42	(47.42)
As on 31st March 2023								
Foreign currency risk								
(i) Foreign exchange forward contracts*	8,896.49	-	11.55	April 2023 to March 2024	1:1	USD : 78.77 to 84.49	(11.55)	11.55

(ii) Disclosures of effects of hedge accounting on statement of profit and loss:

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended 31st March 2024				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts*	(23.60)	(0.78)	22.21	Gain on foreign exchange
		-	(56.77)	Reclassify to revenue
For the year ended 31st March 2023				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts*	(338.36)	(0.51)	(190.03)	Loss on foreign exchange
		-	(164.94)	Reclassify to revenue

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed in above table.

* Refer note 6 and 16 for forward contract closing balance

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

(iii) Movements in cash flow hedging reserve

Particulars	As at 31 st March 2024	As at 31 st March 2023
Opening	12.78	-
Add: Changes in fair value of forward contracts	(23.60)	(338.36)
Less: Amount reclassified to profit or loss	35.35	355.48
Less: Deferred tax relating to above (net)	(2.96)	(4.34)
Closing	21.57	12.78

49 OTHER STATUTORY INFORMATION

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

Relationship with struck off companies:

Name of struck off company (31 st March 2024)	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
Nil	Nil	Nil	Nil	Nil

Name of struck off company (31 st March 2023)	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
Metalworking Lubricants India Private Limited	Purchase	0.04	0.04	Supplier of Goods
Competent Engineers Private Limited	Purchase	0.76	-	Supplier of Goods

There were no transactions with struck off companies during the last financial year.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

50 EXCEPTIONAL ITEM

The Company has completed the acquisition of 54% voting rights in Novellic d.o.o. on 6th September 2023, through acquisition of 51% voting rights from the existing shareholders and 3% voting rights as a result of capital infusion in Novellic d.o.o., as per the Share purchase agreement and shareholder agreement. The exceptional item is related to diligence work for the said acquisition.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

51 RATIOS

Particulars	Numerator (refer notes below)	Denominator (refer notes below)	As at 31 st March 2024	As at 31 st March 2023	Reason for more than 25 % Change
a. Current Ratio	Current Assets (CA)	Current Liabilities (CL)	1.80	2.27	NA
b. Debt-Equity Ratio	Debt	Equity	0.09	0.10	NA
c. Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	15.49	21.05	*
d. Return on Equity Ratio/ Return on investment*	Profit after tax	Average Shareholder Equity	25.83%	24.95%	NA
e. Inventory turnover ratio	Revenue from Operation	Average Inventory	9.97	8.60	NA
f. Trade Receivables turnover ratio	Revenue from Operation	Average Receivables	4.95	4.78	NA
g. Trade payables turnover ratio	Revenue from Operation	Average Payables	11.56	11.74	NA
h. Net capital turnover ratio	Revenue from Operation	Average Working Capital	4.63	4.16	NA
i. Net profit ratio	Profit after tax	Revenue from Operation	16.75%	15.86%	NA
j. Return on Capital employed	Earning before interest and tax	Average Capital employed	30.14%	29.13%	NA

*Due to increase in short term borrowings

i) Debt = Long Term Borrowing + Short Term Borrowing

ii) Equity = Share Capital + other Equity

iii) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Finance Cost

iv) Debt Service = Interest + Lease payments + Principal repayments

v) Average Shareholder Equity = Equity - Goodwill - Intangible Assets - Intangible asset under development

vi) Average Inventory = (Opening Inventory + Closing Inventory) / 2

vii) Average Receivable = (Opening Receivable + Closing Receivable) / 2

viii) Average Payables = (Opening Payables + Closing Payables) / 2

ix) Average Working Capital = ((Opening Inventory + Opening Receivables - Opening Payables) + (Closing Inventory + Closing Receivables - Closing Payables)) / 2

x) Average Capital employed = Total Asset - Goodwill - Intangible Asset - Intangible Asset under development - Current Liabilities

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

52 RECONCILIATION OF QUARTERLY BANK RETURN

Quarter	Particulars	FY 2023 - 24		FY 2022 - 23	
		Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount as per books of account	Amount as reported in the quarterly return/ statement
Quarter 1	Trade Receivable	5,514.54	5,514.54	4,723.00	4,692.20
Quarter 1	Inventory	2,750.30	2,750.30	3,079.86	3,080.31
Quarter 1	Trade Payables	2,278.21	2,278.21	1,869.69*	1,869.69
Quarter 2	Trade Receivable	6,177.09	6,177.09	5,173.45	5,131.79
Quarter 2	Inventory	2,954.49	2,954.49	3,099.90	3,100.81
Quarter 2	Trade Payables	2,736.04	2,736.04	2,209.78	2,184.46
Quarter 3	Trade Receivable	5,308.07	5,308.07	5,155.57	5,123.70
Quarter 3	Inventory	3,137.84	3,137.84	2,873.42	2,874.73
Quarter 3	Trade Payables	2,340.23	2,340.23	1,815.75	1,830.54
Quarter 4	Trade Receivable	5,821.37	5,821.37	5,864.48	5,864.48
Quarter 4	Inventory	3,115.91	3,115.91	2,683.67	2,683.67
Quarter 4	Trade Payables	2,693.80	2,693.80	2,308.48	2,308.48

Notes:-

i) HDFC, SBI, CITI and Yes Banks are represented as Working capital lenders.

* Above information is given as per the norms of working capital lenders

53 Previous year's figures has been regrouped and/ or reclassified wherever necessary to confirm to the current year's groupings and classifications. The impact of such reclassification/regrouping is not material to the financial statements.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

54 AUTHORISATION OF STANDALONE FINANCIAL STATEMENTS

The Standalone financial Statements for the year ended 31st March 2024 were approved by the Board of Directors on 30th April 2024.

The accompanying summary of accounting policies and significant explanatory notes form an integral part of these Standalone financial statements.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N/N500013

Arun Tandon
Partner
Membership No.: 517273

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Rohit Nanda
Group Chief Financial Officer

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Ajay Pratap Singh
Company Secretary
M.No. - FCS-5253

Place: New Delhi
Date: 30th April 2024

Place: Gurugram
Date: 30th April 2024

Independent Auditor's Report

To the Members of **Sona BLW Precision Forgings Limited**

Report on the Audit of the Consolidated Financial Statements

OPINION

- We have audited the accompanying consolidated financial statements of Sona BLW Precision Forgings Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31st March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31st March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.
- We have determined the matters described below to be the key audit matters to be communicated in our report.

BASIS FOR OPINION

- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

- Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

Impairment of goodwill and brands having indefinite useful life (together 'intangibles')

As detailed in Note 46 to the consolidated financial statements, the Company carries goodwill amounting to INR 3,518.31 million and brands amounting to INR 687.40 million in its consolidated balance sheet as at March 31, 2024.

Goodwill was recorded on the acquisition of Comstar Automotive Technologies Private Limited, Comstar Automotive Hong Kong Limited, Comstar Automotive USA LLC and Comstar Automotive Technologies Services Private Limited which are involved in design, manufacturing and selling of starter motors and motor and vehicle accessories and Goodwill recorded on the acquisition of Novellic d.o.o. Beograd which is involved in the business of development of automobile products based on radar and sensor technology. The Goodwill so recorded has been allocated to respective Cash Generating Units ('CGUs') by the management.

The brands were recognised pursuant to Company acquiring SONA Intellectual property rights and all intellectual property rights thereto from SONA Management Services Limited.

In terms with Indian Accounting Standard 36, Impairment of Assets, Goodwill and indefinite lived assets are tested for impairment annually by the management at the CGU level, whereby the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU.

Impairment assessment requires significant estimations and judgement with respect to inputs used and assumptions made to prepare the forecasted financial information, used to determine the recoverable amount, using discounted cash flow model ('Model').

Key assumptions used in management's assessment of the carrying amount of goodwill and indefinite life intangible assets includes the expected growth rates, estimates of future financial performance, market conditions and discount rates, amongst others.

The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at 31st March 2024.

Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such intangibles as a key audit matter for the current year audit.

Business combinations

As set out in note 49 to the Consolidated financial statements, the Group has completed the acquisition of 54% share capital and voting rights in Novellic d.o.o. Beograd on 6 September 2023 during the year, as per terms of the definitive documents executed in this regard.

This acquisition has been concluded as a business combination under Ind AS 103, 'Business Combinations' and has resulted in recognition of goodwill, customer relationship, capitalised development expenditure and intangibles under development, apart from other identifiable assets and liabilities acquired. The Company has performed a purchase price allocation by allocating the purchase consideration paid to the respective fair values of the assets and liabilities acquired as above. The identification and valuation of acquired assets and liabilities including intangible assets involve significant management judgement in terms of making estimates and assumptions including the discount rate and growth rate assumptions which have high estimation uncertainty.

Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the fair value of assets and liabilities acquired, we have determined the accounting for business combination as a key audit matter for the current year audit.

How our audit addressed the key audit matter

Our audit procedures included, but were not limited to the following:

- Obtained an understanding from the management with respect to its impairment assessment process, assumptions used and estimates made by the management;
- Evaluated the design and tested the operating effectiveness of controls related to aforementioned process of impairment testing;
- Obtained the impairment analysis carried out by the management and tested its mathematical accuracy. Understood and evaluated the basis of identification of CGUs to which goodwill is allocated for impairment assessment;
- Traced the cash flows considered in future projections to approved business plans and compared past projections with actual results to evaluate efficacy of the business projections process;
- Evaluated the inputs and assumptions used by the management in future projections with respect to revenue and cost growth trends for reasonableness thereof, basis our understanding of the business and market trends;
- Engaged auditor's valuation experts to assess appropriateness of the valuation methodology applied and the reasonableness of the assumptions used including discount rate and long-term growth rates, basis comparison to economic and industry forecasts where appropriate;
- Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates and
- Assessed the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements in accordance with the accounting standards.

Our audit procedures included, but was not limited to the following procedures:

- Obtained and understood the terms of the arrangement underlying the business acquisition made by the Holding Company during the year to confirm the determination of control and the acquisition date in accordance with Ind AS 103;
- Assessed the competence and objectivity of the management's expert and gained an understanding of the work done by the management's valuation expert.
- Obtained report of the management's external valuation specialist for the valuations performed of assets and liabilities acquired for the purpose of purchase price allocation;
- Involved our auditor's valuation experts to assist us in validating the valuation assumptions and methodology considered by the management's expert to allocate the purchase price to identifiable assets and liabilities;
- Assessed the reasonableness of the management estimates and judgements used to fair value the identifiable assets and liabilities and identifiable intangible assets acquired;
- Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements, in accordance with applicable accounting standards.



INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view

and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries covered under the Act, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

15. We did not audit the financial statements of 10 subsidiaries, whose financial statements reflects total assets of INR 3,997.88 million as at 31st March 2024, total revenues of INR 4,447.87 million and net cash inflows amounting to INR 497.60 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, all of these subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that two subsidiaries incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for

the year ended 31st March 2024 and covered under the Act we report that following is the adverse remark reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31st March 2024 for which such Order reports have been issued till date:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Sona Comstar Edrive Private Limited	U34100HR2020PTC090921	Subsidiary	Clause (xvii)

18. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries and taken on record by the Board of Directors of the Holding Company and its subsidiaries covered under the Act, none of the directors of the Group companies, are disqualified as on 31st March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to

our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 40 to the consolidated financial statements;
 - ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended 31st March 2024.
 - iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 51 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The interim dividend declared and paid by the Holding Company and its subsidiaries during the year ended 31st March 2024 and until the date of this audit report is in compliance with section 123 of the Act. The final dividend paid by the Holding Company during the year ended 31st March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 35 to the accompanying consolidated financial statements, the

Board of Directors of the Holding Company have proposed final dividend for the year ended 31st March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, performed by us on the Holding Company and its subsidiaries incorporated in India and audited under the Act, the Holding Company, and its subsidiaries in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Arun Tandon

Partner

Membership No.: 517273

UDIN: 24517273BKEXFA1856

Place: New Delhi

Date: 30 April 2024

Annexure I

List of entities included in the consolidated financial statements

S.No.	Name of the holding Company
1.	Sona BLW Precision Forgings Limited

Name of subsidiaries

1	Comstar Automotive Technologies Services Private Limited
2	Comstar Automotive USA LLC
3	Comstar Automotive Hongkong Limited
4	Comestel Automotive Technologies Mexicana Ltd
5	Comstar Automotive (Hangzhou) Co., Ltd
6	Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V
7	Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V
8	Comstar Hong Kong Mexico No. 1, LLC
9	Sona Comstar eDrive Private Limited
10	Sona BLW eDrive Mexicana, S.A.P.I. DE C.V.
11	NOVELIC d.o.o. Beograd*
12	NOVELIC SRL*
13	NOVELIC ESC DOOEL SKOPJE*
14	NIRSEN D.O.O.*

* acquired as on 06 September 2023

Annexure II

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Sona BLW Precision Forgings Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31st March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls

based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

- Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

- A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

- Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

- In our opinion, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31st March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**
Chartered Accountants

Firm's Registration No.: 001076N/N500013

Arun Tandon

Partner

Membership No.: 517273

UDIN: 24517273BKEXFA1856

Place: New Delhi

Date: 30 April 2024

Consolidated Balance Sheet

as at 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	Note No.	As at 31 st March 2024	As at 31 st March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,117.30	8,209.32
Right-of-use assets	4	2,397.87	1,434.42
Capital work-in-progress	4	946.01	693.55
Goodwill	5	3,518.31	1,758.09
Other intangible assets	5	4,471.91	4,474.31
Intangible assets under development	5	2,690.48	217.79
Financial assets			
(i) Investments	6	100.37	44.93
(ii) Other financial assets	7	110.23	92.37
Income tax assets (net)	8	271.61	273.03
Other non-current assets	9	953.29	398.26
Total non-current assets		24,577.38	17,596.07
Current assets			
Inventories	10	3,474.91	3,229.41
Financial assets			
(i) Investments	6	316.40	2,280.81
(ii) Trade receivables	11	6,482.63	6,088.52
(iii) Cash and cash equivalents	12	910.05	441.08
(iv) Bank balances other than (iii) above	13	1,831.59	257.28
(v) Other financial assets	7	25.53	2.91
Other current assets	9	1,030.64	702.17
Total current assets		14,071.75	13,002.18
Total assets		38,649.13	30,598.25
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14(A)	5,864.48	5,854.05
Other equity	15 (A)	20,638.80	17,047.95
Non-controlling interest	15 (B)	1,497.77	-
Total equity		28,001.05	22,902.00
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16 (i)	292.05	486.74
(ii) Lease liabilities	43	1,691.73	659.30
(iii) Other financial liabilities	17	508.71	1.74
Provisions	18	252.60	184.56
Deferred tax liabilities (net)	19	1,261.19	876.24
Total non-current liabilities		4,006.28	2,208.58
Current liabilities			
Financial liabilities			
(i) Borrowings	16 (ii)	2,038.54	1,687.94
(ii) Lease liabilities	43	99.01	117.92
(iii) Trade payables	20	-	-
- Total outstanding dues of micro enterprises and small enterprises		519.88	471.02
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,461.17	2,018.32
(iv) Other financial liabilities	17	1,046.03	786.42
Other current liabilities	21	308.63	243.67
Provisions	18	77.01	54.29
Current tax liabilities (net)	22	91.53	108.09
Total current liabilities		6,641.80	5,487.67
Total liabilities		10,648.08	7,696.25
Total equity and liabilities		38,649.13	30,598.25
The summary of material accounting policies and other explanatory information form an integral part of these Consolidated financial statements.	1 to 54		

This is the consolidated balance sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N/N500013For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED**Arun Tandon**
Partner
Membership No.: 517273**Sunjay Kapur**
Non-Executive Chairman
DIN: 00145529**Vivek Vikram Singh**
Managing Director and
Group Chief Executive Officer
DIN: 07698495**Rohit Nanda**
Group Chief Financial Officer**Ajay Pratap Singh**
Company Secretary
Membership No. FCS 5253Place: New Delhi
Date: 30th April 2024Place: Gurugram
Date: 30th April 2024

Consolidated Statement of Profit and Loss

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	Notes	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Income			
Revenue from operations	23	31,847.70	26,550.10
Foreign exchange gain (net)		0.12	205.85
Other income	24	239.48	115.88
Total income		32,087.30	26,871.83
Expenses			
Cost of materials consumed	25 (b)	14,058.29	11,795.48
Changes in inventories of finished goods and work-in-progress	25 (b)	(316.94)	404.15
Employee benefits expense	26	2,501.34	1,803.54
Finance costs	27	257.98	169.27
Depreciation and amortisation expense	28	2,202.25	1,780.04
Other expenses	29	6,584.16	5,794.61
Total expenses		25,287.08	21,747.09
Profit before exceptional items and tax		6,800.22	5,124.74
Exceptional item	30	87.16	33.69
Profit before tax		6,713.06	5,091.05
Tax expense	31	-	-
- Current tax		1,566.51	1,178.54
- Tax related to previous years		(27.91)	(33.37)
- Deferred tax (credit)		(3.30)	(7.09)
Total tax expense		1,535.30	1,138.08
Profit for the year		5,177.76	3,952.97
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair values of equity instruments carried at fair value through other comprehensive income		-	(40.05)
Remeasurements (losses)/gains on defined benefit plans		(23.37)	2.34
Income tax relating to above mentioned item		5.89	(0.60)
Exchange difference on translation of foreign subsidiaries		36.61	100.35
<i>Items that will be reclassified to profit or loss</i>			
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge		11.75	17.12
Income tax relating to above mentioned item		(2.96)	(4.34)
Other comprehensive income for the year		27.92	74.82
Total comprehensive income for the year		5,205.67	4,027.79
Profit attributable to:			
a) Owners of the parent		5,172.67	3,952.97
b) Non-controlling interests		5.09	-
Other comprehensive income attributable to:			
a) Owners of the parent		22.70	74.82
b) Non-controlling interests		5.22	-
Total comprehensive income attributable to:			
a) Owners of the parent		5,195.37	4,027.79
b) Non-controlling interests		10.31	-
Earnings per equity share of face value of INR 10 each			
Earnings per share (Basic) (in INR)	38	8.83	6.76
Earnings per share (Diluted) (in INR)	38	8.83	6.75
The summary of material accounting policies and other explanatory information form an integral part of these Consolidated financial statements.	1 to 54		

This is the consolidated statement of profit and loss referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N/N500013For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED**Arun Tandon**
Partner
Membership No.: 517273**Sunjay Kapur**
Non-Executive Chairman
DIN: 00145529**Vivek Vikram Singh**
Managing Director and
Group Chief Executive Officer
DIN: 07698495**Rohit Nanda**
Group Chief Financial Officer**Ajay Pratap Singh**
Company Secretary
M.No. - FCS-5253Place: New Delhi
Date: 30th April 2024Place: Gurugram
Date: 30th April 2024

Consolidated Cash Flow Statement

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	As at 31 st March 2024	As at 31 st March 2023
A. Cash flows from operating activities		
Profit before income tax	6,713.05	5,091.05
<i>Adjustments for:</i>		
Depreciation and amortisation expense	2,202.25	1,780.04
Loss/(Profit) on sale of property plant and equipment (net)	2.00	(0.61)
(Reversal)/Allowance for doubtful receivables	(46.19)	43.84
Share based payments	158.85	30.18
Unwinding of discount on fair valuation of security deposits	(1.35)	(1.34)
Provision for slow moving inventory	6.24	11.01
Fair value loss on derivatives	(11.68)	60.11
Provision for warranty	42.13	20.04
Unwinding of discount on deferred payment liabilities	27.74	-
Finance costs	251.72	161.20
Interest income	(209.17)	(112.46)
Unrealised foreign exchange (gain) (net)	(11.07)	(17.93)
Operating profit before working capital changes	9,124.52	7,065.13
Changes in working capital		
Movement in inventories	(214.29)	434.82
Movement in trade receivables	(387.79)	(1,553.28)
Movement in financial assets	(41.18)	36.86
Movement in other assets	(724.40)	81.80
Movement in trade payable	354.64	306.11
Movement in financial liabilities	104.96	28.34
Movement in provision	170.29	12.87
Movement in other liabilities	93.42	22.71
Cash generated from operations	8,480.17	6,435.36
Direct taxes paid	(1,552.66)	(1,102.47)
Net cash flow generated from operating activities - Total (A)	6,927.51	5,332.89
B. Cash flows from investing activities		
Payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances	(3,195.31)	(3,352.41)
Proceeds from sale of property, plant and equipment	4.07	1.56
Fixed deposits created during the year	(4,858.54)	(2,741.75)
Fixed deposits matured during the year	3,274.01	2,719.69
Sale/(Purchase) of current investment (net)	1,966.94	(2,207.57)
(Purchase) of Non-current investment	(2,110.41)	(79.48)
Interest received	204.03	30.91
Net cash (used) in investment activities - Total (B)	(4,715.21)	(5,629.05)
C. Cash flows from financing activities		
Proceeds from short term borrowings (net)	195.15	1,333.92
Repayment of long term borrowings	(100.76)	(12.50)
Proceeds from long term borrowings	-	150.00
Repayment of deferred payment liabilities	(27.74)	-
Repayment of lease liabilities	(61.03)	(35.25)
Interest paid on lease liabilities	(87.24)	(77.51)
Dividend paid	(1,792.94)	(1,199.27)

Consolidated Cash Flow Statement

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Net proceeds from issue of equity shares (including securities premium)	40.00	40.34
Increase in investment by minority shareholders	260.02	-
Interest paid	(172.92)	(12.28)
Net cash flow (used) in/ generated from financing activities - Total (C)	(1,747.46)	187.45
D. Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	464.84	(108.71)
E. Cash and cash equivalents at the beginning of the year	441.08	536.06
F. Effect of exchange differences on cash and cash equivalents	4.14	13.73
G. Cash and cash equivalents at the end of the year (D)+(E)	910.05	441.08
Reconciliation of cash and cash equivalents as per the cash flow statement (refer note 12)		
Cash and cash equivalents as per above comprise of the following		
Balances in current accounts	555.94	200.23
Cash on hand	0.10	0.08
Cheque on hand	2.29	-
Bank deposits with original maturity of less than three months	351.72	240.77
Balances per statement of cash flows	910.05	441.08

Note: Refer note 16 for reconciliation of liabilities arising from financing activities.

The summary of material accounting policies and other explanatory information form an integral part of these consolidated financial statements. 1 to 54

This is the consolidated statement of cash flows referred to in our report of even date.

For **Walker Chandok & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N/N500013

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
M.No. - FCS-5253

Place: New Delhi
Date: 30th April 2024

Place: Gurugram
Date: 30th April 2024

Consolidated Statement of Changes in Equity

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

	General reserve	Securities premium	Reserve and Surplus	Employee's stock options reserve	Retained earnings	Equity instruments through other comprehensive income	Cash Flow hedge reserve	Foreign currency translation reserve	Merger Reserve	Attributable to the equity share holders of the parent	Non-controlling interest	Total
Balance as at 1 April 2022	120.00	5,522.99	25.93	64.53	7,958.43	(328.28)	-	58.62	737.23	14,159.44	-	14,159.44
Equity share issued during the year (refer note 14)	-	-	-	-	3,952.97	-	-	-	-	3,952.97	-	3,952.97
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	12.78	-	-	-	-	12.78
Changes in fair values of equity instruments carried at fair value through other comprehensive income	-	-	-	-	-	(40.05)	-	-	-	(40.05)	-	(40.05)
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	1.74	-	-	-	-	1.74	-	1.74
Dividend paid	-	-	-	-	(1,199.27)	-	-	-	-	(1,199.27)	-	(1,199.27)
Employee stock option reserve created during the year	-	-	-	30.18	-	-	-	-	-	30.18	-	30.18
Impact on exercise of ESOPs grants (Refer Note 45)	-	48.68	-	(48.68)	-	-	-	-	-	-	-	-
Premium on ESOPs issue	-	29.81	-	-	-	-	-	-	-	29.81	-	29.81
Foreign currency translation during the year	-	-	-	-	-	-	-	100.35	-	100.35	-	100.35
Balance as at 31st March 2023	120.00	5,601.48	25.93	46.03	10,713.87	(368.33)	12.78	158.97	737.23	17,047.95	-	17,047.95

A. EQUITY SHARE CAPITAL

Balance as at 1 April 2022

Equity share issued during the year (refer note 14)

Balance as at 31st March 2023

Equity share issued during the year (refer note 14)

Balance as at 31st March 2024

B. OTHER EQUITY

Consolidated Statement of Changes in Equity

for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

	General reserve	Securities premium	Reserve and Surplus	Employee's stock options reserve	Retained earnings	Equity instruments through other comprehensive income	Cash Flow hedge reserve	Foreign currency translation reserve	Merger Reserve	Attributable to the equity share holders of the parent	Non-controlling interest	Total
Balance as at 1 April 2023	120.00	5,601.48	25.93	46.03	10,713.87	(368.33)	12.78	158.97	737.23	17,047.95	-	17,047.95
Effect of business combination (Refer note 49)	-	-	-	-	-	-	-	-	-	-	1,487.46	1,487.46
Net profit for the year	-	-	-	-	5,172.67	-	-	-	-	5,172.67	5.09	5,177.76
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	8.79	-	-	-	-	8.79
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	(17.48)	-	-	-	-	(17.48)	-	(17.48)
Dividend paid (refer note 35)	-	-	-	-	(1,792.94)	-	-	-	-	(1,792.94)	-	(1,792.94)
Employee stock option reserve created during the year	-	-	-	158.86	-	-	-	-	-	158.86	-	158.86
Impact on exercise of ESOPs grants (Refer Note 45)	-	49.78	-	(49.78)	-	-	-	-	-	-	-	-
Premium on ESOPs issue	-	29.55	-	-	-	-	-	-	-	29.55	-	29.55
Foreign currency translation during the year	-	-	-	-	-	-	-	31.39	-	31.39	5.22	36.61
Balance as at 31st March 2024	120.00	5,680.81	25.93	155.11	14,076.12	(368.33)	21.57	190.36	737.23	20,638.80	1,497.77	22,136.57

This is the consolidated statement of changes in equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants

Firm Registration No. : 001076N/N500013

Arun Tandon
Partner
Membership No.: 517273

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Rohit Nanda
Group Chief Financial Officer

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Ajay Pratap Singh
Company Secretary
M.No. - FCS-5253

Place: Gurugram
Date: 30th April 2024

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

1. GROUP OVERVIEW

Sona BLW Precision Forgings Limited (the “Parent Company” or the “Company”), a public limited company was incorporated on 27th October 1995 and began commercial production in November 1998. Sona BLW and its subsidiaries (together referred to as “the Group”) are engaged in the manufacturing of precision forged bevel gears, differential case assemblies, conventional and micro-hybrid starter motors, EV traction motors etc., for automotive and other applications

2. GROUP COMPANIES

Consolidated financial statements comprise the financial statements of Sona BLW Precision Forgings Limited and its subsidiaries (hereinafter referred together referred to as ‘Group’) which are listed below:

Name of Subsidiary	Country of incorporation	Nature of operations	Proportion of ownership (%) as at 31 st March 2024	Proportion of ownership (%) as at 31 st March 2023
Comstar Automotive USA LLC	USA	Auto ancillary business	100%	100%
Comestel Automotive Technologies Mexicana Ltd	Hong Kong	Auto ancillary business	100%	100%
Comstar Automotive (Hangzhou) Co., Ltd	China	Auto ancillary business	100%	100%
Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	Mexico	Auto ancillary business	100%	100%
Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	Mexico	Auto ancillary business	100%	100%
Sona Comstar eDrive Private Limited	India	Auto ancillary business	100%	100%
Sona BLW Edrive Mexicana, S.A.P.I DE C.V. (w.e.f. from 22 September 2023)	Mexico	Auto ancillary business	100%	Nil
Comstar Automotive Technologies Services Private Limited	India	Administrative services to fellow subsidiaries	100%	100%
Comstar Hong Kong Mexico No. 1, LLC	USA	Dormant	100%	100%
Comstar Automotive Hong Kong Ltd.	Hong Kong	Investment company	100%	100%
NOVELIC d.o.o. Beograd (w.e.f. from 06 September 2023)	Serbia	ER&D Services	54%	Nil
NOVELIC SRL (w.e.f. from 06 September 2023)	Romania	ER&D Services	*	Nil
NOVELIC ESC DOOEL SKOPJE (w.e.f. from 06 September 2023)	North Macedonia	ER&D Services	*	Nil
NIRSEN D.O.O (w.e.f. from 06 September 2023)	Serbia	ER&D Services	*	Nil

*subsidiary of NOVELIC d.o.o. Beograd.

3. MATERIAL ACCOUNTING POLICES

This note provides a list of the material accounting policies adopted in the preparation of this consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The Consolidated Financial Statements comprise of the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and Statement of Material Accounting Policies and other explanatory information for the year then ended (hereinafter referred to as “Consolidated Financial Statements”). The Consolidated Financial Statements has been prepared to comply in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended

from time to time and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable. All significant intercompany transactions and balances between Group entities are eliminated on consolidation. The Company’s equity shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE).

These CFS have been prepared using the material accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value; and
- defined benefit plans – plan assets measured at fair value

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

b) Business combinations

The Group applies the acquisition method in accounting for business combinations. The cost of acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date. Acquisition costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognised.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

c) Basis of consolidation

The consolidated financial statements includes the financial statements of the Company, its subsidiaries and the entities controlled by the Group as at March 31, 2024. Control is achieved when the Group:

- has power over the investee;
- has the ability to use its power to affect its return; and
- is exposed, or has rights, to variable returns from its involvement with the investee

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

d) Property, plant and equipment and capital work in progress

Freehold land is carried at cost. All other items of property, plant and equipment and capital work in progress are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the property, plant and equipment is capitalised at discounted value. The difference between the discounted value and the total payment is recognised as interest over the period of credit.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) as prescribed in Schedule II of the Act: -

Asset category	Useful life (in years)
Factory Buildings	3 to 30
Plant and equipment	1 to 25
Furniture and fixtures	3-10
Computers and IT equipment	3
Vehicles	4 to 8
Office equipment	1-5
Leasehold improvements	Over the effective term of lease

In case of subsidiaries, the following useful lives have been used by the Group:

Asset category	Useful life (in years)
Buildings	10 to 50 years
Buildings and land improvements	15 to 25 years
Technical machinery and equipment	8 to 25 years
Other equipment, factory and office equipment	3 to 10 years

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Expenditure on the research phase of projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Group can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation methods and periods.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Asset class	Useful life (in years)
Computer software	1 to 6
Technical knowhow	6
Brand	Indefinite
Customer Relationship	15
Goodwill	Indefinite
Technology development expenditure	5

The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortisation expense.

Derecognition:

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

In case of subsidiaries, the following useful lives have been used by the Group:

Intangible assets with finite useful lives are capitalised at cost and amortised on a straight-line basis generally over a period of 3 to 15 years, depending on their estimated useful lives. Useful lives are examined on an annual basis and adjusted when applicable on a prospective basis.

Intangible assets - Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful lives of 15 years.

f) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Revenue from sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price. The transaction price of goods sold is net of variable consideration on account of discounts. Revenue is disclosed exclusive of goods and services tax.

Other incomes

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Dividend is recognised as and when the right of the Group to receive payment is established.

Export benefit entitlements under various schemes notified by the government are recognised in the statement of profit and loss when the right to receive credit as per terms of the scheme is established in respect of the exports made and no significant uncertainties exist as to the amount of consideration and its ultimate collection.

Revenue from contract with customers

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:

1. Identifying the contract with customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers for products sold and service provided is recognised when control

of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 30-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

Consideration for revenue contracts

This includes amounts paid, or expected to be paid, by the Company to the customer. The amount, if not for a payment for a distinct goods or service from the customer, is accounted for as a reduction of the transaction price. The Company recognises the reduction of revenue when (or as) the later of either of the following events occurs: (a) the Company recognises revenue for the transfer of the related goods or services to the customer; and (b) the entity pays or promises to pay the consideration (even if the payment is conditional on a future event).

g) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

h) Leases

The Group lease asset classes primarily consist of leases for land, buildings and plant and machinery. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the right to extend the lease. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

i) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at FVTPL which are measured initially at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below:

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

Financial assets at amortised cost

A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

Financial assets at fair value

Investments in equity instruments (other than subsidiaries / associates) – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at FVTPL. For all other equity instruments, the Group decides to classify the same either at fair value through other comprehensive income (FVOCI) or FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using effective interest method. Amortised cost is calculated after considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss.

Hedge accounting

The Company designates certain hedging instruments mainly derivatives, in respect of foreign currency risk, as cash flow hedges to mitigate foreign currency exchange risk arising from certain highly probable sales transactions denominated in foreign currency.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Statement of Profit and Loss, and is included in the 'Other income'/ 'Other expense' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

j) Impairment of financial assets

All financial assets except for those at fair value through profit and loss (FVTPL) are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets. In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost. ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Group applies approach required by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Group uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables. Life time expected credit losses are assessed and accounted based on Group historical collection experience for customers and forecast of macroeconomic factors.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

k) Impairment of non-financial assets

Intangible assets that have an indefinite useful life (including Goodwill and Brands) are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

estimates the recoverable amount of the asset. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of asset over its remaining useful life.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l) Fair value measurement

The Group measures certain financial instruments, such as, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

m) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the basis of weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

n) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposit accounts, margin deposit money and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities in the balance sheet. The statement of cashflow is prepared using indirect method.

o) Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

ii) Post-employment benefits

Defined contribution plan: A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separately entity. The Group has defined contribution plans for provident fund and employees' state insurance scheme. The Group's contribution in the above plans is recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined benefit plans: The Group has defined benefit plan namely Gratuity for employees. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Group recognises the following changes in the net defined benefit obligation under employee benefits expense in statement of profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailment and non-routine settlements
- Net interest expense

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

iii) Other long-term employee benefits

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of the year. Actuarial gains/losses are immediately recognised to the Statement of Profit and Loss.

iv) Termination benefits are recognised as an expense immediately.

p) Employee share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date. All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Dilute earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

r) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the balance sheet date.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Expected future operating losses are not provided for.

Contingencies

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Eligible transaction/ ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

s) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

t) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on the current/non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. The Group classifies all other assets as non-current.

A liability is treated current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Current liabilities include current portion of non-current financial liabilities. The Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

u) Foreign currency transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and

liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses). Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

v) Non-current assets held for sale and discontinued operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation. A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale. Profit or loss from discontinued operations comprise the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

(B) Application of new and revised Indian Accounting Standard (Ind AS)

The Ministry of Corporate Affairs vide notification dated 31st March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8

These amendments did not have any material impact on the Company. For the year ended March 31, 2024, MCA has not notified any new standards applicable to the Company.

(C) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements includes:

a) Provisions

At each balance sheet date basis the management judgement, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

b) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

c) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

d) Useful lives of tangible/intangible assets

The Group reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

e) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f) Impairment of non-financial assets and goodwill

In assessing impairment, Group estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

h) Measurement of share based payments;

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds)

i) Capitalisation of internally developed intangible assets

The Group applies judgement in determining at what point the recognition criteria under Ind AS 38 is satisfied with respect to technology development expenditure being incurred.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

4 PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS (CWIP) AND RIGHT OF USE ASSET (ROU)

	Freehold land	Buildings (Refer note i)	Plant and equipment (Refer note ii)	Furniture and fixtures	Office Equipment	Computers	Vehicles	Leasehold improvement	Total	Right-of-use assets		
										Leasehold land	Building	Total
Gross block as at 1st April 2022	25.95	585.20	6,398.80	69.10	109.74	142.47	155.25	146.25	7,632.76	1,408.63	823.82	1,749.25
Additions	-	587.51	2,912.69	26.94	37.41	56.32	46.24	7.55	3,674.66	2,960.24	-	-
Disposals	-	-	(186.08)	-	-	(4.02)	(5.39)	-	(195.48)	-	-	-
Transfer on capitalisation#	-	-	-	-	-	-	-	-	-	(3,675.61)	-	-
Foreign currency translation reserve	0.30	2.59	16.18	0.49	0.03	0.57	0.48	-	20.64	0.29	6.81	6.81
Gross block as at 31st March 2023	26.25	1,175.30	9,141.60	96.54	147.17	195.34	196.58	153.80	11,132.58	693.55	830.63	1,756.06
Accumulated depreciation as at 01st April 2022	-	112.35	1,577.42	28.15	64.23	83.39	39.97	48.09	1,953.59	-	38.55	235.15
Depreciation charge during the year	-	40.06	1,005.01	10.79	15.66	38.74	31.06	13.42	1,154.75	-	13.16	69.86
Disposals	-	-	(186.08)	-	-	(4.02)	(4.43)	-	(194.52)	-	-	-
Foreign currency translation reserve	-	0.57	7.08	0.74	0.03	0.53	0.52	-	9.46	-	3.47	3.47
Accumulated depreciation as at 31st March 2023	-	152.99	2,403.43	39.67	79.91	118.64	67.12	61.51	2,923.27	-	51.71	321.64
Net carrying amount as at 31st March 2023	26.25	1,022.31	6,738.17	56.86	67.26	76.70	129.46	92.29	8,209.32	693.55	560.70	1,434.42
Gross block as at 01st April 2023	26.25	1,175.30	9,141.60	96.54	147.17	195.34	196.58	153.80	11,132.58	693.55	830.63	1,756.06
Add: Effect of business combination (Refer note 49)	-	-	47.50	-	10.35	-	-	-	57.85	-	225.88	225.88
Gross block after effect of business combination	26.25	1,175.30	9,189.10	96.54	157.52	195.34	196.58	153.80	11,190.43	693.55	1,056.51	1,981.94
Additions	-	93.94	2,119.70	25.40	32.83	41.68	84.45	1.07	2,399.05	2,627.27	839.00	839.00
Disposals	-	-	(57.79)	(1.81)	(0.03)	(2.61)	(30.61)	-	(92.85)	-	-	-
Transfer on capitalisation#	-	-	-	-	-	-	-	-	-	(2,374.82)	-	-
Foreign currency translation reserve	0.40	0.32	3.51	0.25	0.02	0.15	0.46	-	5.11	0.00	0.53	0.53
Gross block as at 31st March 2024	26.65	1,269.56	11,254.51	120.37	190.34	234.56	250.87	154.88	13,501.74	946.01	1,896.03	2,821.46
Accumulated depreciation as at 01st April 2023	-	152.99	2,403.43	39.67	79.91	118.64	67.12	61.51	2,923.27	-	51.71	269.93
Add: Effect of business combination (Refer note 49)	-	-	29.21	-	-	-	-	-	29.21	-	-	-

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

	Freehold land	Buildings (Refer note i)	Plant and equipment (Refer note ii)	Furniture and fixtures	Office Equipment	Computers	Vehicles	Leasehold improvement	Total	Right-of-use assets		
										Leasehold land	Building	Total
Accumulated depreciation after effect of business combination	-	152.99	2,432.64	39.67	79.91	118.64	67.12	61.51	2,952.48	51.71	269.93	321.64
Depreciation charge during the year	-	51.27	1,331.72	14.13	16.25	46.69	39.16	13.94	1,513.16	2.64	99.93	102.56
Disposals	-	-	(55.30)	(1.81)	(0.03)	(2.61)	(23.26)	-	(83.01)	-	-	-
Foreign currency translation reserve	-	-	1.19	0.13	-	0.08	0.40	-	1.80	-	(0.61)	(0.61)
Accumulated depreciation as at 31 st March 2024	-	204.26	3,710.26	52.12	96.13	162.79	83.42	75.45	4,384.44	54.34	369.24	423.59
Net carrying amount as at 31 st March 2024	26.65	1,065.30	7,544.25	68.25	94.21	71.76	167.46	79.42	9,117.30	871.09	1,526.79	2,397.87

Transfer on capitalisation also includes amount transferred to intangible assets.

CWIP aging schedule as at 31st March 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	908.17	37.83	-	-	946.01

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

CWIP aging schedule as at 31st March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	689.12	3.46	0.98	-	693.55

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan other than stated in point (v) below.

- (i) Building (gross block) amounting INR 1,102.27 million (31st March 2023: INR 1,012.16 million), net block INR 824.55 million (31st March 2023: INR 857.59 million) is constructed on leasehold land.
- (ii) Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (iii) Refer note 16 for information on property, plant and equipment pledged as security by the company.
- (iv) Property, plant and equipment, Capital work-in-progress include gross assets amounting to ₹425.44 million (31st March 2023 : ₹359.35 million) relating to development.
- (v) Property, plant and equipment (net carrying amount) of INR 134.94 million (31st March 2023 : INR 131.00 million) and capital work in progress of INR 26.29 million (31st March 2023 : INR 28.00 million) is lying with job workers. Also includes amount of ₹22.05 million pertaining to projects in progress which have crossed the budgeted period.

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Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

5 INTANGIBLE ASSETS, INTANGIBLE ASSETS UNDER DEVELOPMENT AND GOODWILL

Intangible assets	Computer software	Technical knowhow	Capitalised development expenditure	Brand #	Customer Relationships	Total	Intangible assets under development#	Goodwill on consolidation (Including assembled workforce)#
Gross block as at 01 st April 2022	274.46	31.15	992.90	687.40	4,009.00	5,994.91	65.20	1,758.09
Additions	126.78	-	-	-	-	126.78	265.64	-
Transfer to intangible assets	-	-	-	-	-	-	(113.05)	-
Gross block as at 31 st March 2023	401.24	31.15	992.90	687.40	4,009.00	6,121.69	217.79	1,758.09
Accumulated amortisation as at 01 st April 2022	120.10	21.87	230.59	-	732.44	1,105.00	-	-
Amortisation charge for the year	71.63	5.07	198.60	-	267.07	542.38	-	-
Closing accumulated amortisation as at 31 st March 2023	191.73	26.94	429.20	-	999.51	1,647.38	-	-
Net carrying amount as at 31 st March 2023	209.51	4.21	563.70	687.40	3,009.49	4,474.31	217.79	1,758.09
Gross block as at 01 st April 2023	401.24	31.15	992.90	687.40	4,009.00	6,121.69	217.79	1,758.09
Add: Effect of business combination (Refer note 49)	-	-	348.10	-	187.44	535.54	2,138.46	1,760.22
Gross block after effect of business combination	401.24	31.15	1,341.00	687.40	4,196.44	6,657.23	2,356.25	3,518.31
Additions	46.78	-	-	-	-	46.78	380.42	-
Transfer to intangible assets	-	-	-	-	-	-	(43.22)	-
Foreign currency translation reserve	-	-	-	-	-	-	(2.97)	-
Gross block as at 31 st March 2024	448.02	31.15	1,341.00	687.40	4,196.44	6,704.01	2,690.48	3,518.31
Accumulated amortisation as at 01 st April 2023	191.73	26.94	429.20	-	999.51	1,647.38	-	-
Add: Effect of business combination (Refer note 49)	-	-	-	-	-	-	-	-
Accumulated amortisation after effect of business combination	191.73	26.94	429.20	-	999.51	1,647.38	-	-
Amortisation charge for the year	82.14	1.67	211.84	-	289.07	584.72	-	-
Closing accumulated amortisation as at 31 st March 2024	273.87	28.62	641.04	-	1,288.58	2,232.10	-	-
Net carrying amount as at 31 st March 2024	174.15	2.53	699.96	687.40	2,907.86	4,471.91	2,690.48	3,518.31

Refer note 46

Intangible assets under development aging schedule for the year ended 31st March 2024

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	2,487.16	172.29	31.03	-	2,690.48

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan

Intangible assets under development aging schedule for the year ended 31st March 2023

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	186.24	31.55	-	-	217.79

*There were no projects that were suspended at the end of reporting period accordingly disclosure on expected date of completion of suspended project has not been given. Further there are no projects whose completion is overdue or has exceeded its cost compared to its original plan

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

6. INVESTMENTS

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
At Cost, Unquoted investments, Investment in equity shares of other than subsidiary companies (non-current)		
9,553 (31 st March 2023: 9,553) equity shares of Euro 500 each in Sona Holding B.V. The Netherlands	211.66	211.66
Less: Provision for impairment	(211.66)	(211.66)
At Cost, Unquoted investments, Investment in Preference shares of other than subsidiary companies (non-current)		
392,647 (31 st March 2023: 392,647) equity shares of Euro 5 each in Sona Holding B.V. The Netherlands	116.62	116.62
Less: Provision for impairment	(116.62)	(116.62)
Fair value through Profit and loss account, Unquoted investments, Investment in equity shares of other than subsidiary companies (non-current)		
927,639 (31 st March 2023: 927,639) equity shares of C-Motive Technologies, Inc.	45.62	44.93
42,716 (31 st March 2023: Nil) equity shares of INR 10 each in Clean Max Calypso Private Limited	54.75	-
Aggregate amount of unquoted non-current investments	100.37	44.93
Aggregate amount of impairment of unquoted investments	328.28	328.28
	As at 31 st March 2024	As at 31 st March 2023
Investment (current)		
At fair value through profit and loss - Quoted Investment		
173,743.33 units (31 st March 2023: 173,743.33) of HDFC Overnight Fund - Regular	278.23	577.68
421,505.70 units (31 st March 2023: 421,505.70) of Axis Overnight Fund - Regular	-	499.72
136,764.31 units (31 st March 2023: 136,764.31) of SBI Overnight Fund - Regular	-	499.09
113,032.72 units (31 st March 2023: 113,032.72) of Kotak Overnight Fund - Regular	-	135.16
411,645.79 units (31 st March 2023: 411,645.79) of ABSL Overnight Fund - Regular	-	499.10
JP Morgan 100% US Treasury Securities Money Market Fund	38.17	70.06
	316.40	2,280.81
Aggregate amount of quoted investments at market value	316.40	2,280.81

7 OTHER FINANCIAL ASSETS

	As at 31 st March 2024	As at 31 st March 2023
Unsecured, considered good		
Non current		
Security deposits	110.23	80.33
Fixed deposits with banks with maturity period of more than 12 months	-	12.04
Total other financial assets- non current	110.23	92.37
Current		
Forward contract receivables (refer note 34 and 48)	18.10	-
Other financial assets	7.43	2.91
Total other financial assets- current	25.53	2.91

Notes:

- i) The exposure to financial risks and fair value measurement related to these financial instruments is described in note 33 and 34

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

8 INCOME TAX ASSETS (NET)

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
Non current		
Prepaid taxes *	271.61	273.03
	271.61	273.03

*Amount paid under protest of INR 17.47 million (31st March 2023: INR 24.48 million)

9 OTHER ASSETS

	As at 31 st March 2024	As at 31 st March 2023
Non current		
Prepaid expenses	18.37	1.69
Un-adjusted consideration for revenue contract	22.18	33.40
Capital advances	454.56	363.17
Other assets	458.18	-
Total other assets- non current	953.29	398.26
Current		
Prepaid expenses	137.50	99.61
Loans and advances to employees	4.90	4.06
Advance to suppliers for goods and services	290.64	193.93
Balance with government authorities	459.83	312.54
Un-adjusted consideration for revenue contract	11.21	11.21
Other assets	146.94	101.20
Less: Allowance for doubtful advances	(20.38)	(20.38)
Total other assets- current	1,030.64	702.17

10 INVENTORIES

	As at 31 st March 2024	As at 31 st March 2023
Raw materials and components *	1,032.70	1,095.21
Work-in-progress**	405.19	324.89
Finished goods***	1,644.21	1,407.57
Stores and spares	138.77	149.03
Loose tools	45.38	55.57
Dies, jigs and fixtures	193.69	185.88
Scrap	14.97	11.26
Total	3,474.91	3,229.41

Total inventory is net of 'provision for obsolete and slow moving inventory' amounting to ₹72.06 million (31st March 2023: ₹65.82 million)

* Includes raw materials and components in transit amounting ₹89.56 million (31st March 2023: ₹111.67 million)

* Includes raw materials and components with the vendors sent for job work ₹12.65 million (31st March 2023: ₹15.13 million)

** Includes inventory with the vendors sent for job work ₹153.63 million (31st March 2023: ₹126.77 million)

*** Includes goods in transit ₹656.82 million (31st March 2023: ₹428.92 million)

The cost of inventories recognised as an expense during the year are disclosed in Note 25 & 29.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

11 TRADE RECEIVABLES

	As at 31 st March 2024	As at 31 st March 2023
Unsecured		
Trade receivables considered good	6,482.63	6,088.52
Trade receivables - credit impaired	5.07	51.26
Less: Allowances for expected credit loss	(5.07)	(51.26)
Total trade receivables	6,482.63	6,088.52

Notes:

- (i) Refer note 37 for receivable balance from related parties.
- (ii) Refer note 33 - Financial instruments for assessment of expected credit losses.
- (iii) There are no disputed dues from customers.
- (iv) General credit period is 30 to 90 days.
- (v) There is no significant financing component in receivables except mentioned in note 16(ii).

Trade receivables ageing schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade receivables - considered good	5,509.14	936.40	24.55	12.54	-	-	6,482.63
(ii) Trade receivables - credit impaired	-	-	-	0.24	0.26	4.57	5.07

Trade receivables ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade receivables - considered good	5,533.54	533.26	15.47	5.34	0.91	-	6,088.52
(ii) Trade receivables - credit impaired	-	46.66	0.44	0.13	1.79	2.25	51.26

12 CASH AND CASH EQUIVALENTS

	As at 31 st March 2024	As at 31 st March 2023
Balance with banks		
- in current accounts*	555.94	200.23
Cash on hand	0.10	0.08
Cheque on hand	2.29	-
Bank deposits with original maturity of less than three months	351.72	240.77
Total cash and cash equivalents	910.05	441.08

* Includes ₹0.30 million (31st March 2023 : ₹4.05 million) for amount earmarked for corporate social responsibility.

13 OTHER BANK BALANCES

	As at 31 st March 2024	As at 31 st March 2023
Bank deposits with original maturity of more than three months but residual maturity of less than twelve months	1,831.59	257.28
Total other bank balances	1,831.59	257.28

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

14 (A) EQUITY SHARE CAPITAL

	As at 31 st March 2024	As at 31 st March 2023
Authorised share capital		
1,148,500,000 (31 st March 2023: 1,148,500,000) equity shares of ₹10 each	11,485.00	11,485.00
Issued, subscribed and paid up share capital		
586,447,778 (31 st March 2023: 585,404,582) equity shares of ₹10 each fully paid up	5,864.48	5,854.05

i) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 st March 2024	As at 31 st March 2023
Number of shares		
Equity shares outstanding at the beginning of the year	585,404,582	584,352,710
Add : Issue of shares (refer note 45)	1,043,196	1,051,872
Equity shares outstanding at the end of the year	586,447,778	585,404,582
Amount		
Equity shares outstanding at the beginning of the year	5,854.05	5,843.53
Add : Issue of shares	10.43	10.52
Equity shares outstanding at the end of the year	5,864.48	5,854.05

ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iii) Details of shareholders holding more than 5% of the total number of equity shares in the Company

	As at 31 st March 2024	As at 31 st March 2023
Number of shares		
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	174,208,904	193,208,904
Axis Mutual Fund	39,675,502	36,816,647
Government Of Singapore	38,283,615	31,342,849
Sbi Mutual Fund	34,400,633	34,844,885
Mirae Mutual Fund	13,558,860	33,685,443
Percentage		
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	29.71%	33.00%
Axis Mutual Fund	6.77%	6.29%
Government Of Singapore	6.53%	5.35%
Sbi Mutual Fund	5.87%	5.95%
Mirae Mutual Fund	2.31%	5.75%

- iv) The Board of Directors of the Company had approved the following: issuance of 11 (Eleven) bonus shares of face value ₹10 (Rupees Ten) each for every 1 (One) existing fully paid up equity share of face value ₹10 (Rupees Ten) each (including the equity shares issued upon conversion of the Compulsorily Convertible Preference Shares (CCPS) and accordingly 525,232,180 bonus shares were issued, which were allotted on 10th February 2020. Other than this, the Company has not issued any shares pursuant to contracts without payment being received in cash, or allotted as fully paid up by way of bonus shares during the year ended 31st March 2024 and five years immediately preceding the year ended 31st March 2024.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

v) Promoters shareholding

(Figures in Million INR, unless stated otherwise)

Shareholding of promoters as on March 31, 2024

Promoter name	Number of shares	% of total shares	% change during the year
Singapore VII Topco III Pte. Ltd.	-	-	-
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	174,208,904	29.71	(3.29)
*Rani Kapur- RK Family Trust	72	**	-
*Ashok Sachdev	151	**	-
*Jasbir Sachdev	361	**	-
*Charu Sachdev	423	**	-
*Raghuvanshi Investment Private Limited	744	**	-
Total	174,210,655	29.71	(3.29)

Shareholding of promoters as on March 31, 2023

Promoter name	Number of shares	% of total shares	% change during the year
Singapore VII Topco III Pte. Ltd.	-	-	(34.12)
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	193,208,904	33.00	(0.06)
*Rani Kapur- RK Family Trust	72	**	-
*Ashok Sachdev	151	**	-
*Jasbir Sachdev	361	**	-
*Charu Sachdev	423	**	-
*Raghuvanshi Investment Private Limited	744	**	-
Total	193,210,655	33.00	(34.18)

* Promoter Group

** Percentage is negligible

14 (B) PREFERENCE SHARE CAPITAL

	As at 31 st March 2024	As at 31 st March 2023
Authorised share capital		
1,500,000 (31 st March 2023: 1,500,000) preference shares of ₹10 each	15.00	15.00
Issued, subscribed and paid up share capital		
Nil (31 st March 2023: Nil) Compulsorily convertible preference shares of ₹10 each fully paid up	-	-

15 (A) OTHER EQUITY

	As at 31 st March 2024	As at 31 st March 2023
Retained earnings	14,076.12	10,713.86
General reserve	120.00	120.00
Securities premium	5,680.81	5,601.48
Capital redemption reserve	25.93	25.93
Equity instruments through other comprehensive income	(368.33)	(368.33)
Employee's stock options reserve	155.11	46.03
Foreign currency translation reserve	190.36	158.97
Cash flow hedge reserve (net of tax) (refer note 48)	21.57	12.78
Merger Reserve	737.23	737.23
Total reserves and surplus	20,638.80	17,047.95

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

a) Retained earnings

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	10,713.86	7,958.43
Net profit for the year	5,172.67	3,952.97
Remeasurement of defined benefit obligations, net of tax	(17.48)	1.74
Less:-Dividend paid	(1,792.94)	(1,199.27)
Closing balance	14,076.12	10,713.86

Retained earnings are created from the profits of the Company, as adjusted for distribution to owners, transfer to other reserve, remeasurement of defined benefit plan, etc.

b) General reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	120.00	120.00
Closing balance	120.00	120.00

In earlier year, the Company transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. This reserve is available for distribution to shareholders in accordance with provisions of Companies Act, 2013.

c) Securities premium

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	5,601.48	5,522.99
Premium on fresh issue of equity shares	29.55	29.81
Add : Impact on ESOP shares issuance	49.78	48.68
Closing balance	5,680.81	5,601.48

Securities premium represents premium received on issuance of shares. The balance is utilised in accordance with the provisions of the Companies Act, 2013.

d) Capital redemption reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	25.93	25.93
Transferred from retained earnings	-	-
Closing balance	25.93	25.93

Companies Act, 2013 requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the buyback of shares in earlier years.

e) Merger Reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	737.23	737.23
Movement during the year	-	-
Closing balance	737.23	737.23

Merger Reserve has been created pursuant to merger of Sona BLW Precision Forgings Limited and Comstar Automotive Technology Private Limited.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

f) Equity instruments through other comprehensive income

(Figures in Million INR, unless stated otherwise)

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	(368.33)	(328.28)
Add: Net changes in fair values of equity instruments carried at fair value through other comprehensive income	-	(40.05)
Closing balance	(368.33)	(368.33)

This represents the changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity.

g) Employee's stock options outstanding reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	46.03	64.53
Add: Created during the year (refer note 45)	158.86	30.18
Less: Utilised during the year	(49.78)	(48.68)
Closing balance	155.11	46.03

This reserve represents the shared based compensation expense recorded with the respect to options granted to employees as and when the related grant conditions are met and is adjusted on exercise/ forfeiture of options.

h) Foreign currency translation reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	158.97	58.62
Currency translation during the year	31.39	100.35
Closing balance	190.36	158.97

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

i) Cash flow hedge reserve

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	12.78	-
Add: Changes in fair value of hedge instruments	(23.60)	(338.36)
Less: Amount reclassified to Profit and loss	35.35	355.48
Less: Deferred tax relating to above (net)	(2.96)	(4.34)
Closing balance	21.57	12.78

Cumulative changes in the fair value of financial instruments designated as effective hedge are recognised in this reserve through OCI (net of taxes). Amounts recognised in the hedging reserve are reclassified to the statement of profit and loss when the underlying transaction occurs.

15 (B) NON-CONTROLLING INTEREST

	As at 31 st March 2024	As at 31 st March 2023
Opening balance	-	-
Effect of business combination (Refer note 49)	1,487.46	-
Movement during the year	10.31	-
Closing balance	1,497.77	-

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

16 BORROWINGS

(Figures in Million INR, unless stated otherwise)

(i) Non - current borrowings

	As at 31 st March 2024	As at 31 st March 2023
Secured		
Term loans from banks		
Indian rupee loans	486.75	587.50
	486.75	587.50
Less: Amount disclosed under current borrowings (refer note (ii) below)	(194.70)	(100.76)
Total non-current borrowings	292.05	486.74

Notes:

- Above term loans is secured by first pari passu charge on the entire moveable fixed assets, present and future, of the company and immovable fixed assets situated at Gurgaon only. Second pari passu charge on entire current assets of the Company.
- Repayment schedule and Interest rates for the above Term Loans are as follows:
 - Term loan from HDFC bank amounting to ₹333.33 million (31st March 2023 : ₹400.00 million) is repayable in 12 quarterly instalments w.e.f. October 2023.
 - Term loan from Citi bank amounting to ₹62.50 million (31st March 2023 : ₹87.50 million) is repayable in 16 quarterly instalments w.e.f. December 2022.
 - Term loan from Citi bank amounting to ₹90.92 million (31st March 2023 : ₹100.00 million) is repayable in 11 quarterly instalments w.e.f. March 2024.

The interest rate for the above term loans from banks as at 31st March 2024 is a floating interest rate linked with T-bill current effective rate in the range of 8.09%-8.87% p.a (March 31, 2023 : 7.69%-8.89% p.a.).

(ii) Current borrowings

	As at 31 st March 2024	As at 31 st March 2023
Secured		
Indian Rupee loans repayable on demand from banks (refer note (a) below)	1,737.95	1,442.46
Indian Rupee loans repayable on demand from NBFC (refer note (b) below)	105.89	144.72
Current Maturities of non current borrowings (refer note (i) above)	194.70	100.76
Total current borrowings	2,038.54	1,687.94

Notes:

a) Indian Rupee loans repayable on demand from banks

Above working capital loan is secured by first pari passu charge on entire current assets of the Company and second pari passu charge on the entire moveable fixed assets, present and future, of the company and immovable fixed assets situated at Gurgaon only.

Repayment and rate of interest:

- Cash credit amounting to ₹9.23 million (31st March 2023 : ₹7.67 million) is repayable on demand carries interest @ floating rate linked with T-bill current year effective rate is 9.15 % p.a. (31st March 2023 : 8.66% p.a.)
- WCDL amounting to Nil (31st March 2023 : ₹11.54 million) is repayable on demand carries interest @ floating rate linked with T-bill current year effective rate is 7.45% p.a. (March 31, 2023: 7.45% p.a.)
- EPC amounting to ₹1,728.72 million (31st March 2023 : 1,432.25 million) is repayable on demand carries interest @ floating rate linked with T-bill current year effective rate in the range of 5.18% - 5.54% p.a. (March 31, 2023: 5.02%-6.17% p.a.)

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

b) Indian Rupee loans repayable on demand from NBFC

The parent company entered into factoring arrangements with recourse for its trade receivables with Tata Capital Financial Services Limited. As at 31st March 2024 the parent company had factoring facilities in place for trade receivables and amount of ₹105.89 million (31 March 2023: ₹144.72 million) were realised by using these facilities against which the monies were yet to be collected by the financial institution from the parent company's customers. The parent company does not derecognise the receivables from its books since, it does not transfer substantially all the risks and rewards of ownership of the financial asset (i.e. receivables) and a corresponding liability towards the banks is recognised in respect of aforementioned amounts so realised by the parent company from the banks but yet to be collected by the financial institution from the parent company's customers.

(iii) Reconciliation of liabilities arising from financing activities (as per requirements of Ind AS 7 'Statement of cashflows')

The changes of the Company's liabilities arising from financing activities can be classified as follows:

	Long term borrowings	Short term borrowings	Leases	Total
Balance as at 1st April 2022	450.00	253.70	807.78	1,511.48
Cash Flows:				
Repayment of non-current borrowings	(12.50)	-	-	(12.50)
Proceeds from non-current borrowings	150.00	-	-	150.00
Proceeds from current borrowings (net)	-	1,333.92	-	1,333.92
Repayment of lease liabilities	-	-	(112.76)	(112.76)
Non-cash changes				
Interest expense on lease liabilities	-	-	77.51	77.51
Other movement	-	(0.44)	4.68	4.24
Balance As at 31st March 2023	587.50	1,587.18	777.22	2,951.89
Cash Flows:				
Repayment of non-current borrowings	(100.76)	-	-	(100.76)
Proceeds from non-current borrowings	-	-	-	-
Proceeds from current borrowings (net)	-	195.15	-	195.15
Effect of business combination	-	67.02	235.51	302.53
Repayment of lease liabilities	-	-	(148.26)	(148.26)
Non-cash changes				
Interest expense on lease liabilities	-	-	87.24	87.24
Creation of lease liabilities	-	-	839.05	839.05
Other movement	-	(5.52)	-	(5.52)
Balance As at 31st March 2024	486.75	1,843.84	1,790.75	4,121.33

17 OTHER FINANCIAL LIABILITIES

	As at 31 st March 2024	As at 31 st March 2023
Non current		
Security deposits	1.74	1.74
Payable to founders of Novelic d.o.o. (refer note 49)	506.97	-
Total other financial liabilities - non current	508.71	1.74
Current		
Interest accrued but not due on borrowings	2.79	5.25
Employee benefits payable	362.60	239.63
Capital creditors*	394.05	524.99
Forward contract payables (refer note 34 and 48)	-	12.46
Security deposits	3.38	3.50
Payable to founders of Novelic d.o.o. (refer note 49)	262.29	-
Other payables	20.92	0.59
Total other financial liabilities - current	1,046.03	786.42

* includes MSME balance of ₹58.42 million (31st March 2023 : ₹3.77 million)

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

18 PROVISIONS

	As at 31 st March 2024	As at 31 st March 2023
Non current		
Provision for compensated absences (refer below and note 39)	115.75	91.38
Provision for defined benefit plans (refer note 39)	70.14	40.72
Provision for warranty (refer below)	66.71	52.46
Total provisions - non current	252.60	184.56
Current		
Provision for compensated absences (refer below and note 39)	48.57	46.72
Provision for defined benefit plans (refer note 39)	0.27	0.29
Provision for warranty (refer below)	28.17	7.28
Total provisions - current	77.01	54.29

The reconciliation of the carrying amount of provision from beginning of the year to end of the year is provided below:

	As at 31 st March 2024	As at 31 st March 2023
Provision for Compensated Absences		
Opening balance	138.10	123.73
Additions	90.98	71.57
Amounts utilised	(64.77)	(57.20)
Closing balance	164.32	138.10
Provision for Warranty		
Opening balance	59.74	42.71
Additions	45.12	20.04
Amounts utilised	(9.97)	(3.01)
Closing balance	94.88	59.74

19 DEFERRED TAX LIABILITIES (NET)

Movement in deferred tax assets/liabilities

31st March 2024

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Recognised in other comprehensive income	Effect of business combination	Closing Balance
Property, plant and equipment and intangible assets	928.22	(68.27)	-	391.18	1,251.13
Provision for employee benefits obligation	(72.13)	13.76	(5.89)	-	(64.25)
Others	20.14	51.21	2.96	-	74.31
Total	876.24	(3.30)	(2.93)	391.18	1,261.19

31st March 2023

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	935.48	(7.25)	-	928.22
Provision for employee benefits obligation	(50.52)	(22.20)	0.60	(72.13)
Others	(1.09)	21.24	-	20.14
Total	883.86	(7.09)	0.60	876.24

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024
(Figures in Million INR, unless stated otherwise)

Certain subsidiary companies of the Group have net carry forward losses amounting to total of ₹125.32 million (31st March 2023: ₹143.94 million) on which deferred tax asset has not been recognised, which has a 15-20 years carry forward period.

Deferred tax assets amounting to ₹82.62 million (31st March 2023: ₹82.62 million) on fair value adjustment recognised in respect of investments held in Sona Holding B.V. by the company. The Netherlands has not been recognised due to uncertainty regarding the allowability of such loss.

20 TRADE PAYABLES

	As at 31 st March 2024	As at 31 st March 2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	519.88	471.02
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,461.17	2,018.32
Total Trade payables	2,981.05	2,489.34

Note:

- (i) Refer note 37 for balance payable to related parties

Trade payables aging schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	5.20	506.53	5.91	2.19	0.05	-	519.88
(ii) Others	236.62	1,613.86	589.85	6.81	12.27	1.77	2,461.17
Total	241.82	2,120.39	595.75	9.00	12.32	1.77	2,981.05

Trade payables aging schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	4.96	447.92	18.12	0.02	-	-	471.02
(ii) Others	161.58	1,570.13	265.07	2.11	0.17	19.26	2,018.32
Total	166.54	2,018.05	283.19	2.13	0.17	19.26	2,489.34

21 OTHER CURRENT LIABILITIES

	As at 31 st March 2024	As at 31 st March 2023
Statutory dues payable	98.71	72.80
Revenue received in advance (refer note 44)	198.78	170.87
Duty Drawback	9.59	-
Others	1.55	-
Total current liabilities	308.63	243.67

22 CURRENT TAX LIABILITIES

	As at 31 st March 2024	As at 31 st March 2023
Income tax liabilities (net) (Net of advance tax ₹1,403.65 million (31 st March 2023: ₹1,010.39 million))	91.53	108.09
Total current tax liabilities	91.53	108.09

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024
(Figures in Million INR, unless stated otherwise)

23 REVENUE FROM OPERATIONS

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Sale of goods*	30,819.49	25,679.14
Other operating revenue		
Scrap sales	684.66	632.21
Export incentive	294.55	229.88
Royalty income	1.46	0.27
Provision for doubtful debts written back	46.19	-
Others	3.79	8.60
Total revenue from operations	31,847.70	26,550.10

* Refer note 44.

24 OTHER INCOME

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Interest income from bank	114.45	41.03
Profit on sale of investments	97.78	71.43
Others	27.25	3.42
Total other income	239.48	115.88

25 (A) COST OF MATERIALS CONSUMED

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Raw material at the beginning of the year	1,095.21	1,107.86
Add: Purchases during the year	13,995.78	11,782.83
Less: Raw material at the end of year	1,032.70	1,095.21
Cost of material consumed	14,058.29	11,795.48

25 (B) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Inventories at the beginning of the year		
Work-in-progress	324.89	326.07
Finished goods	1,407.57	1,810.54
	1,732.47	2,136.61
Inventories at the end of the year		
Work-in-progress	405.19	324.89
Finished goods	1,644.21	1,407.57
	2,049.40	1,732.47
Changes in inventories	(316.94)	404.15

26 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Salaries, wages and allowances	1,950.97	1,463.57
Contribution to provident and other funds (refer note 39)	131.40	97.45
Staff welfare expenses	271.68	212.35
Share based payment to employees (refer note 45)	147.29	30.18
Total employee benefits expense	2,501.34	1,803.54

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

27 FINANCE COSTS

(Figures in Million INR, unless stated otherwise)

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Interest on loans	136.40	71.55
Other borrowing costs	19.30	0.00
Other finance charges	15.04	17.91
Interest on lease liabilities (refer note 43)	87.24	77.51
Interest expenses on income tax	-	2.30
Total finance costs	257.98	169.27

28 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Depreciation of property, plant and equipment (refer note 4)	1,514.96	1,154.65
Amortisation of intangible assets (refer note 5)	584.72	542.38
Amortisation of right-of-use assets (refer note 4)	102.56	83.02
Total depreciation and amortisation expense	2,202.25	1,780.04

29 OTHER EXPENSES

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Consumption of stores, spares and tool	1,391.86	1,269.51
Power and fuel	818.06	652.47
Freight, clearing and forwarding charges	442.73	582.27
Packing material	435.40	362.39
Sub contracting cost	984.27	852.39
Rent (refer note 43)	48.58	20.69
Repairs and maintenance - plant and machinery	328.64	384.49
Repair and maintenance - buildings	26.90	27.34
Repair and maintenance - others	231.63	146.21
Manpower hiring on contract	629.15	478.19
Legal and professional charges	285.96	273.22
Testing and designing charges	110.69	78.06
Software Charges	62.79	36.16
Rates and taxes	22.15	10.85
Insurance	72.95	58.98
Travelling, conveyance and vehicle expenses	209.65	177.09
Communication and stationery expenses	25.47	27.72
Security charges	29.32	28.66
Corporate social responsibility expense	63.60	40.08
Business promotion	34.79	34.17
Directors sitting fees and commission (refer note 37)	51.36	38.00
Loss on sale of property plant & equipments (net)	2.00	-
Foreign exchange loss, net	2.63	-
Allowances for expected credit loss	-	43.84
Provision for warranty	45.12	20.04
Miscellaneous expenses	228.47	151.79
Total other expenses	6,584.16	5,794.61

30 EXCEPTIONAL ITEM

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Related to diligence work for acquisition (refer note 50)	87.16	33.69
	87.16	33.69

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

31 INCOME TAX EXPENSE

(Figures in Million INR, unless stated otherwise)

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Current tax	1,566.51	1,178.54
Tax related to previous years	(27.91)	(33.37)
Deferred tax charge/(credit)	(3.30)	(7.09)
Total Income Tax expense	1,535.30	1,138.08

a) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Profit before income tax expense	6,713.06	5,091.05
Income tax as per statement of profit and loss	1,535.30	1,138.08
Tax at the Indian tax rate of 25.168% (31st March 2023: 25.168%)	1,689.47	1,281.26
Effect of non-deductible expenses	16.00	10.42
Transaction cost of an equity transaction	-	(10.63)
Tax effect of ESOP exercised	(119.91)	(94.16)
Receipt of principal tax amount written off in earlier years	-	(3.13)
Difference in tax rate of subsidiary companies	(69.27)	(46.11)
Others	19.00	0.42
Income tax expense (as per statement of profit and loss)	1,535.30	1,138.08

32 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Revenue expenditure charged to statement of profit and loss	369.75	283.24
Capital expenditure (refer note 4 and 5)	423.38	448.31
Total research and development expenses	793.13	731.55

* This includes development expenditure incurred on CWIP amounting to ₹83.36 million (31st March 2023: ₹52.32 million).

33 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	As at 31st March 2024			As at 31st March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	6,482.63	-	-	6,088.52
Cash and bank balances	-	-	2,741.64	-	-	698.35
Other financial assets	-	-	117.66	-	-	95.28
Derivative financial assets	18.10	-	-	-	-	-
Investments	416.76	-	-	2,280.81	44.93	-
Total financial assets	434.87	-	9,341.93	2,280.81	44.93	6,882.15
Financial liabilities						
Borrowings	-	-	2,333.37	-	-	2,179.93
Trade payables	-	-	2,981.05	-	-	2,489.34
Other financial liabilities	-	-	1,551.96	-	-	770.45
Lease liabilities	-	-	1,790.75	-	-	777.22
Derivative financial liabilities	-	-	-	12.46	-	-
Total financial liabilities	-	-	8,657.13	12.46	-	6,216.94

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

Valuation technique to determine fair value

(Figures in Million INR, unless stated otherwise)

Cash and cash equivalents, other bank balances, trade receivables, current investment, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For valuation technique to determine fair value of derivative financial assets refer note 48.

(b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial assets/liabilities into the three levels prescribed under the accounting standard. An explanation of each level follows underneath.

i) Assets and liabilities measured at fair value - recurring fair value measurements

	Level 1	Level 2	Level 3
As at 31st March 2024			
Foreign exchange forward contracts- Assets	-	18.10	-
Investments- asset	316.40	100.37	-
Total financial assets	316.40	118.47	-
As at 31st March 2023			
Foreign exchange forward contracts- liability	-	12.46	-
Total financial Liability	-	12.46	-
Investments - asset	2,280.81	44.93	-
Total financial assets	2,280.81	44.93	-

ii) Financial assets and liabilities:

	As at 31 st March 2024	As at 31 st March 2023
Financial assets		
Trade receivables	6,482.63	6,088.52
Cash and bank balances	2,741.64	698.35
Other financial assets	117.66	95.28
Total financial assets	9,341.93	6,882.16
Financial liabilities		
Borrowings	2,333.37	2,179.93
Lease liabilities	2,981.05	2,489.34
Trade payable	1,551.96	770.45
Other financial liability	1,790.75	777.22
Total financial liabilities	8,657.13	6,216.94

All financial assets and financial liabilities are recorded at amortised cost the details of which are given above

There are no transfers amongst levels during the year.

Level 1: It includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs other than Level 1 inputs; and

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

34 FINANCIAL RISK MANAGEMENT

(Figures in Million INR, unless stated otherwise)

The Group's principal financial liabilities comprise loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to provide finance to the Group to support its operations. The Group's principal financial assets include loans, trade and other receivables; cash and bank balances etc. that derive directly from its operations.

The Group's activities expose it to the financial risk of market risk, credit risk and liquidity risk. The Group enters into a certain derivative financial instrument to manage its exposure to foreign currency. There have been no major changes to the Group's exposure to market risk or the manner in which it manages and measures the risk in recent past. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

(A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- Cash and cash equivalents
- Trade receivables
- Loans carried at amortised cost, and
- Other financial assets
- Derivative financial assets

(a) Credit Risk Management

(i) Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- a) Low credit risk
- b) Moderate credit risk
- c) High credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Group provides for expected credit loss based on the following:

Asset group	Categorisation of items	Provision for expenses credit loss
Low credit risk	Cash and cash balances, loans, other financial assets and derivative financial assets	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Trade receivables	Other financial assets-12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss.
High credit risk	Other financial assets	Other financial assets-lifetime expected credit loss (when there is a significant deterioration), or specific provision, whichever is higher.

In respect of trade receivables that result from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

Financial assets that expose the entity to credit risk –

(Figures in Million INR, unless stated otherwise)

Credit rating	Particulars	As at 31 st March 2024	As at 31 st March 2023
Low credit risk			
	Cash and bank balances	2,741.64	698.35
	Other financial assets	117.66	95.28
	Derivative financial assets	18.10	-
Moderate credit risk	Trade receivables *	6,482.63	6,088.52

*These represent carrying values of financial assets, without deduction for expected credit losses

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country. In respect of derivative assets, the credit risk is considered negligible as counterparties are banks.

Trade receivables

To mitigate the credit risk related to trade receivables, the Group closely monitors the credit-worthiness of the trade receivables through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due. Considering the nature of trade receivables, and group history of credit with those receivables, group has rebutted the presumption of having significant increases in credit risk since initial recognition for financial assets which are more than 30 days past due.

(b) Expected credit losses for financial assets (other than trade receivables)

i) Financial assets (other than trade receivables)

Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

For loans comprising security deposits paid - Credit risk is considered low because the Group is in possession of the underlying asset.

For other financial assets - Credit risk is evaluated based on Group knowledge of the Credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets.

ii) Expected credit loss for trade receivables under simplified approach

The Group recognises lifetime expected credit losses on trade receivables using a simplified approach. In accordance with Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance of trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, historical experience for customers etc. However, the allowance for lifetime expected credit loss on customer balances for the year ended 31st March 2024, and for the year ended 31st March 2023 is insignificant.

Reconciliation of loss allowance

	As at 31 st March 2024	As at 31 st March 2023
At the beginning of year	51.26	7.42
Movement during the year	(46.19)	43.84
Total expected credit loss allowance*	5.07	51.26

* This amount of expected credit loss allowance has been created on trade receivables aged more than 90 days as on reporting date.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(B) Liquidity risk

(Figures in Million INR, unless stated otherwise)

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and maintains adequate source of financing through the use of short term bank deposits, demand loans and cash credit facility. Processes and policies related to such risks are overseen by senior management.

(i) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities:

Contractual maturities of financial liabilities:

	Less than 1 year	1 to 5 years	More than 5 years	Total
31st March 2024				
Borrowings	2,038.55	292.04	-	2,330.59
Trade payables	2,981.05	-	-	2,981.05
Other financial liabilities	1,554.74	-	-	1,554.74
Derivative financial liabilities	-	-	-	-
Lease liabilities	256.68	939.63	1,855.51	3,051.82
Total	6,831.02	1,231.67	1,855.51	9,918.21
	Less than 1 year	1 to 5 years	More than 5 years	Total
31st March 2023				
Borrowings	1,687.94	486.74	-	2,174.68
Trade payables	2,489.34	-	-	2,489.34
Other financial liabilities	775.71	-	-	775.71
Derivative financial liabilities	12.46	-	-	12.46
Lease liabilities	117.92	481.51	678.14	1,277.57
Total	5,083.36	968.25	678.14	6,729.75

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to risk of changes in borrowing rates. The Board continuously monitors the prevailing interest rates in the market.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 st March 2024	As at 31 st March 2023
Variable rate borrowings	2,330.58	2,174.68
Fixed rate borrowings	-	-
Total borrowings	2,330.58	2,174.68

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Impact on profit after tax/Equity	As at 31 st March 2024	As at 31 st March 2023
Interest rate increase by 1.00% (31 st March 2023: 1.00%)*	16.86	10.78
Interest rate decrease by 1.00% (31 st March 2023: 1.00%)*	(16.86)	(10.78)

* Holding other variables constant, net of tax

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(ii) Foreign currency risk

(Figures in Million INR, unless stated otherwise)

The Parent company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the trade receivables and payables. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

The Company's exposure to foreign currency risk at the end of the reporting period expressed as follows

Foreign currency	As at 31 st March 2024	As at 31 st March 2023
Trade receivables and others		
United States Dollar (USD)	44.31	41.99
Euro (EUR)	3.69	1.02
RMB	1.72	6.46
Trade/other payables		
United States Dollar (USD)	2.85	3.72
Euro (EUR)	9.31	0.86
Japanese Yen (JPY)	264.79	269.70
Canadian Dollar (CAD) [^]	0.00	0.00
Swiss Franc (CHF)	0.01	0.06
Serbian Dinar (RSD)	839.36	-
Mexican Pesos (MXP)	5.45	2.64
RMB	0.77	2.07
Others	0.03	0.03

[^]Rounded off to Nil

Indian Rupee (INR)	As at 31 st March 2024	As at 31 st March 2023
Trade receivables and others		
United States Dollar (USD)	3,695.57	3,449.95
Euro (EUR)	331.97	91.61
RMB	19.76	77.15
Trade payables		
United States Dollar (USD)	238.00	305.53
Euro (EUR)	836.82	76.55
Japanese Yen (JPY)	145.82	166.14
Canadian Dollar (CAD) [^]	0.13	0.11
Swiss Franc (CHF)	1.27	5.68
Serbian Dinar (RSD)	643.54	-
Mexican Pesos (MXP)	27.38	11.98
RMB	8.84	24.69
Others	2.93	2.82

[^]Rounded off to Nil

Outstanding forward contracts as at the reporting date (Million USD)	132.65	107.47
Outstanding forward contracts as at the reporting date (Million EURO)- Receivable	20.91	-
Outstanding forward contracts as at the reporting date (Million JPY)- Payable	244.58	98.21
Outstanding forward contracts as at the reporting date (Million EUR)-Payable	15.96	0.21
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	11,150.42	8,896.49
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	1,937.05	-
Outstanding forward contracts as at the reporting date (INR in million)- Payable	144.01	61.63
Outstanding forward contracts as at the reporting date (INR in million)- Payable	1,493.08	19.13

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:-

Impact on profit after tax/Equity	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Net currency receivables/(payables)		
USD sensitivity		
INR/USD- increase by 1.00% (31 st March 2023: 1.00%)*	25.87	23.53
INR/USD- decrease by 1.00% (31 st March 2023: 1.00%)*	(25.87)	(23.53)
EUR sensitivity		
INR/EURO- increase by 1.00% (31 st March 2023: 1.00%)*	(3.78)	0.11
INR/EURO- decrease by 1.00% (31 st March 2023: 1.00%)*	3.78	(0.11)
JPY sensitivity		
INR/JPY- increase by 1.00% (31 st March 2023: 1.00%)*	(1.09)	(1.24)
INR/JPY- decrease by 1.00% (31 st March 2023: 1.00%)*	1.09	1.24
RMB sensitivity		
INR/RMB- increase by 1.00% (31 st March 2023: 1.00%)*	0.08	0.39
INR/RMB- decrease by 1.00% (31 st March 2023: 1.00%)*	(0.08)	(0.39)
CAD sensitivity		
INR/CAD- increase by 1.00% (31 st March 2023: 1.00%)*	(0.00)	(0.00)
INR/CAD- decrease by 1.00% (31 st March 2023: 1.00%)*	0.00	0.00
MXP sensitivity		
INR/MXP- increase by 1.00% (31 st March 2023: 1.00%)*	(0.20)	(0.09)
INR/MXP decrease by 1.00% (31 st March 2023: 1.00%)*	0.20	0.09
CHF sensitivity		
INR/CHF- increase by 1.00% (31 st March 2023: 1.00%)*	(0.01)	(0.04)
INR/CHF- decrease by 1.00% (31 st March 2023: 1.00%)*	0.01	0.04
RSD sensitivity		
INR/RSD- increase by 1.00% (31 st March 2023: 1.00%)*	(4.82)	-
INR/RSD- decrease by 1.00% (31 st March 2023: 1.00%)*	4.82	-

* Holding other variables constant, net of tax

35 CAPITAL MANAGEMENT

For the purposes of the Group's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using net debt to equity ratio, which is net debt (as reduced by cash and cash equivalent) divided by total equity.

	As at 31 st March 2024	As at 31 st March 2023
Long term borrowings including current maturities (refer note 16)	486.75	587.50
Short term borrowings (refer note 16)	1,843.84	1,587.18
Less: Cash and cash equivalents (refer note 12)	(910.05)	(441.08)
Net debts *	1,420.53	1,733.61
Equity share capital (refer note 14)	5,864.48	5,854.05
Other equity (refer note 15)	20,638.80	17,047.95
Total equity	26,503.28	22,902.00
Net Gearing ratio	5.36%	7.57%

* Excluding lease liabilities

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Dividends	For the year ended 31st March 2024	For the year ended 31st March 2023
Equity share		
Final dividend of ₹1.53 per each 585,415,582 equity share	895.68	-
Interim dividend of ₹1.53 per each 58,64,41,810 equity share	897.26	-
Interim dividend of ₹1.28 per each 585,404,582 equity share	-	749.32
Final dividend of ₹0.77 per each 584,352,710 equity share	-	449.95
	1,792.94	1,199.27

The Board of Directors of the Company in its meeting held on April 30, 2024 has approved and recommended final dividend of ₹1.53/- i.e (15.3%) per equity share of the Company having face value of ₹10/- each for the financial year 2023-2024, subject to approval from shareholders.

36 SEGMENT INFORMATION

The Group's operating business is organised and managed according to a single primary reportable business segment namely "Automotive Components".

Information about geographical areas

The Group's revenue disaggregated by primary geographical markets is as follows:

	For the year ended 31st March 2024	For the year ended 31st March 2023
India	11,797.43	10,848.36
Outside India	19,022.06	14,830.78
Total	30,819.49	25,679.14
Revenue outside India	For the year ended 31st March 2024	For the year ended 31st March 2023
North America	11,043.96	10,267.69
Europe	6,729.74	3,594.39
Asia (Excluding India)	1,094.86	957.36
Others	153.50	11.34
	19,022.06	14,830.78
Customers exceeding 10% of total revenue	For the year ended 31st March 2024	For the year ended 31st March 2023
No of customers exceeding 10% of total revenue	2	2
Total revenue of such customers (₹ million)	9,471.05	8,060.96

The Group's non-current assets (property, plant and equipment, right of use assets, capital work in progress, intangible assets, Intangible assets under development and goodwill) are located into the following geographical regions:

	As at 31st March 2024	As at 31st March 2023
India	17,430.46	15,623.02
North America	654.90	830.32
Europe	4,734.64	-
Others	321.87	334.14
	23,141.87	16,787.48

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

37 RELATED PARTY DISCLOSURES

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

(a) Names of related parties and nature of relationship

(i) The entity having substantial interest in the Company

Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)

Singapore VII Topco III Pte Ltd. (with effect from 21st June 2021 till 13th March 2023)

(ii) Key Management Personnel

Name	Designation
Mr. Vivek Vikram Singh	Managing Director & Group CEO
Mr. Vadapalli Vikram Verma	Chief Executive Officer (Driveline Business)
Mr. Sat Mohan Gupta	Chief Executive Officer (Motor business)
Mr. Rohit Nanda	Group Chief Financial Officer
Mr. Ajay Pratap Singh	Vice President (Legal) & Company Secretary
Non executive Directors	
Mr. Sunjay Kapur	Chairman and Non-Executive Director
Mr. Prasan Abhaykumar Firodia	Independent director
Mr. Subbu Venkata Rama Behara	Independent director
Mr. Amit Dixit	Director
Mr. Ganesh Mani	Director (till 19 th July 2023)
Mrs. Shradha Suri	Independent director
Mr. Jeffrey Mark Overly	Independent Director
Mrs. Manisha Girotra	Independent Director (w.e.f. 01 st January 2024)
Relative of KMP	
Mr. Tanay Gupta	Son of Mr. Sat Mohan Gupta

(iii) Promoter Group

Rani Kapur - RK Family Trust

Raghuvanshi Investment Private Limited

Charu Sachdev

Jasbir Sachdev

Ashok Sachdev

(i) Entity having substantial interest

Transactions	For the year ended 31st March 2024	For the year ended 31st March 2023
Dividend paid		
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	533.08	396.08
Singapore VII Topco III pte Ltd.	-	307.01

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(ii) Key Management Personnel *

(Figures in Million INR, unless stated otherwise)

Transactions	For the year ended 31st March 2024	For the year ended 31st March 2023
Managerial remuneration		
Mr. Vivek Vikram Singh	36.36	32.03
Mr. Vadapalli Vikram Verma	37.28	29.02
Mr. Rohit Nanda	30.20	25.63
Mr. Ajay Pratap Singh	10.06	8.20
Mr. Sat Mohan Gupta	24.83	23.56
Remuneration to relative of KMP		
Mr. Tanay Gupta	1.32	10.27
Issue of equity shares under ESOP Scheme		
Mr. Vivek Vikram Singh	8.46	8.46
Mr. Vadapalli Vikram Verma	6.10	6.10
Mr. Rohit Nanda	4.57	4.57
Mr. Ajay Pratap Singh	1.83	1.10
Mr. Sat Mohan Gupta	6.10	6.10
Share based payment charged in profit and loss account		
Mr. Vivek Vikram Singh	25.07	6.07
Mr. Vadapalli Vikram Verma	16.09	4.37
Mr. Rohit Nanda	12.82	3.28
Mr. Ajay Pratap Singh	4.85	1.10
Mr. Sat Mohan Gupta	16.09	4.37
Mr. Tanay Gupta	0.53	-
Director Sitting Fee		
Mr. Prasan Abhaykumar Firodia	0.36	0.70
Mr. B.V.R. Subbu	0.28	1.75
Mr. Jeffrey Mark Overly	0.38	2.30
Mrs. Shradha Suri	0.20	1.10
Mrs. Manisha Girotra	0.07	-
Commission		
Mr. Sunjay Kapur	24.00	24.00
Mr. Jeffrey Mark Overly	8.20	5.90
Mr. B.V.R. Subbu	5.50	2.25
Mrs. Manisha Girotra	1.38	-
Mr. Shradha Suri	5.50	-
Mr. Prasan Abhaykumar Firodia	5.50	-
Dividend paid		
Mr. Vadapalli Vikram Verma	0.95	0.37
Mr. Vivek Vikram Singh	0.59	0.28
Mr. Ajay Pratap Singh	0.03	0.02
Mr. Sat Mohan Gupta	0.66	0.31
Mr. Rohit Nanda	-	0.08
Mrs. Shradha Suri	#	#
Rani Kapur - RK Family Trust	#	-
Raghuvanshi Investment Private Limited	#	-
Charu Sachdev	#	-
Jasbir Sachdev	#	-
Ashok Sachdev	#	-
Sale of Vehicle		
Mr. Vadapalli Vikram Verma	0.31	-
Mr. Kiran Manohar Deshmukh	0.57	-
Mr. Sat Mohan Gupta	1.01	-

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

* Break- up of Key management personnel remuneration

	For the year ended 31st March 2024	For the year ended 31st March 2023
Short-term employee benefits	140.05	120.61

* Including provident fund and any other benefit.

* Gratuity and leave encashment amounts accrued attributable to key management personnel cannot be separately determined and hence not included in transactions above.

Note-1- The shareholders, in the Annual General Meeting (AGM) held on 9th September 2021 had approved the Exit Return Incentive (ERI) Plan for payment of awards by Singapore VII Topco III PTE. Ltd. (Singapore VII) to certain identified employees of the Group. Accordingly, Singapore VII has made payment of awards to such identified employees between 28th April 2023 and 12th May 2023. There is however no financial impact of such payments on the Company.

Note-2 The Company holds more than 20% in Clean Max Calypso Private Limited. However, the Company does not exercise significant influence or control on decisions of the investees. Hence, not being construed as associate company. These investment is included in "Note 6: Investments" under Investment measured at fair value through Profit & Loss account in the financial statements.

Number less than ₹10,000

(c) Details of balances with related parties at year end

(i) Key Management Personnel

Balances as at year end	As at 31st March 2024	As at 31st March 2023
Payables		
Mr. Vivek Vikram Singh	15.98	11.21
Mr. Rohit Nanda	10.50	6.29
Mr. Vadapalli Vikram Verma	15.13	8.94
Mr. Jeffrey Mark Overly	-	5.90
Mr. Ajay Pratap Singh	3.49	2.14
Mr. Sat Mohan Gupta	7.49	5.46
Mr Subbu Venkata Rama Behara	-	2.25
Mr. Tanay Gupta	0.18	0.32

Terms and conditions

All the transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured.

38 EARNINGS PER SHARE

	31 st March 2024	31 st March 2023
Total profit attributable to the equity holders of the Group used for basic and diluted earnings per share (A)	5,172.67	3,952.97
Total number of equity shares at the beginning of the year	585,404,582	584,352,710
Issue of shares	1,043,196	1,051,872
Total number of equity shares at the end of the year	586,447,778	585,404,582
Effect of exercise of share options (refer note 45)	60,718	514,926
Total number of equity shares (including options) at the end of the year	586,508,496	585,919,508
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	585,855,017	584,687,932
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (B)	585,855,017	584,687,932
Effect of exercise of share options	60,718	514,926
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (C)	585,915,735	585,202,858
Nominal Value per share (in INR)	10.00	10.00
(a) Basic earnings per share (in INR)	8.83	6.76
(b) Diluted earnings per share (in INR)	8.83	6.75

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

39 EMPLOYEE BENEFITS

A Defined contribution plans:

Particulars	31-03-2024	31-03-2023
a) Provident fund	127.74	85.09
b) Employees state insurance corporation	0.36	0.33
c) Labour welfare fund	0.39	0.33
d) Super annuation	1.89	1.78
e) National Pension Scheme	15.72	11.59
	146.10	99.12

B Defined benefit plans:

(i) Gratuity

The Parent Company operates post retirement defined benefit plan for retirement gratuity, which is funded. The Holding Company through the gratuity trust has taken group gratuity policy of Life Insurance Corporation of India Gratuity Scheme.

Details of changes and obligation under the defined benefit plan is given as below:-

I Expense recognised in the statement of profit and loss

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Current service cost	26.85	24.34
(ii) Interest cost	20.90	16.28
(iii) Expected return on plan assets	(18.37)	(14.12)
Net expense recognised in the statement of profit and loss	29.38	26.50

II Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Actuarial changes arising from changes in demographic assumptions	4.21	(2.12)
(ii) Actuarial changes arising from changes in financial assumptions	4.47	(9.81)
(iii) Actuarial changes arising from changes in experience adjustments	14.98	10.77
(iv) Return on plan assets greater than discount rate	(0.29)	(1.18)
Net expense recognised in other comprehensive income	23.37	(2.34)

III Changes in obligation

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Opening balance	297.42	265.24
(ii) Current service cost	26.85	24.34
(iii) Interest cost	20.90	16.28
(iv) Actuarial (gain)/loss	23.66	(1.15)
(v) Benefit payments from plan assets	(6.61)	(7.27)
(vi) Present value of obligation as at year end	362.22	297.43

IV Changes in plan assets

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Fair value of plan assets as at the beginning of the period	256.70	225.65
(ii) Interest income	18.37	14.12
(iii) Contributions by employer	23.06	23.02
(iv) Benefit payments from plan assets	(6.61)	(7.27)
(v) Actuarial gain/(loss) on plan assets	0.29	1.18
Fair value of plan assets	291.80	256.70

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

V Net assets / liabilities

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(i) Present value of obligation at the end of the year	362.22	289.70
(ii) Fair value of plan assets at the end of the year	291.80	256.70
(iii) Net liabilities recognised in the balance sheet		
- Non current	70.14	40.72
- Current	0.27	-

VI Experience adjustment

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Experience adjustment loss on plan liabilities	6.14	6.52

VII Investment details

The Parent Company has invested in gratuity funds which is administered through Life Insurance Corporation of India. The detail of investment maintained by Life Insurance Corporation are not made available to the Parent Company and have therefore not been disclosed.

VIII Principal actuarial assumptions (Gratuity and Compensated absence)

	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Discount rate (per annum)	7.15%-7.30%	7.15%-7.30%
Expected increase in salary costs (per annum)	8.00-10.00%	8.00-9.00%
Attrition rate	15.00-16.00%	15.00-20.00%
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Retirement age	58 and 60 years	58 and 60 years

IX Quantitative sensitivity analysis for significant assumptions is as below:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

Particulars	Impact on defined benefit obligation	
	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Delta effect of +1% change in rate of discounting	(12.79)	(13.51)
Delta effect of -1% change in rate of discounting	13.79	14.44
Delta effect of +1% change in rate of salary increase	13.49	14.17
Delta effect of -1% change in rate of salary increase	(12.71)	(13.44)

X Maturity profile of defined benefit obligation (undiscounted)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Within the next 12 months (next annual reporting period)	59.88	56.58
Between 2 and 5 years	190.87	168.47
Between 6 and 10 years	161.23	120.38
Total expected payments	411.97	345.43

XI The average duration of the defined benefit plan obligation at the end of the reporting period is 4 - 6.27 years (31st March 2023: 4 - 6.27 years)

XII The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The expected contribution to the plan is expected to be similar to that of current year.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024
(Figures in Million INR, unless stated otherwise)

- XIII Plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age

40 CONTINGENT LIABILITIES

	As at 31 st March 2024	As at 31 st March 2023
a) Claims against the Company not acknowledged as debts		
i) Service tax		
Cases pending before Appellate authorities in respect of which the Company has filed appeals/show cause notices. (FY 2005-06 to 2007-08)	0.47	0.47
ii) Income Tax *		
Income Tax Appellate Tribunal restored the matter with the Jurisdictional Ld. Assessing officer (AY-2011-12)	-	2.14
Income Tax Appellate Tribunal restored the matter with the Jurisdictional Ld. Assessing officer (AY-2012-13)	-	3.18
Cases pending before Transfer pricing officer (AY-2013-14)	2.12	2.12
Cases pending before Transfer pricing officer (AY-2016-17)	2.74	2.50
Cases pending before CIT in respect of which the Company has filed appeal (AY-2017-18)**	90.85	84.05
Demand raised by AO for which company intend to file appeal with CIT - Appeal for AY 2018-19	7.15	6.96
(iii) Central Excise Act, 1944		
Case pending before Directorate General of Goods And Service Tax Intelligence in respect of which the Company has filed appeals. (FY 2014-15 to FY 2017-18)	0.61	14.85
(iv) Goods and Services tax Act		
Writ petition filed before high court***	281.97	281.97

*Amount paid under protest of ₹17.47 million (31st March 2023: ₹24.48 million)

** Total disputed amount of the case is ₹99.48 million (31st March 2023: ₹85.88 million) (including interest liability) out of which ₹8.63 million (31st March 2023: ₹8.63 million) (including interest liability) has been provided as a provision and balance amount is being disclosed as a contingent liability.

*** Writ Petition challenging vires of Rule 96(10) of CGST Rules 2017, Based on professional advice, the Company believes that the case will be decided in their favour and hence no provision has been considered.

As hearing date has not yet been set and therefore it is not practicable to state the timing of the payment, if any.

- b) There are labour cases pending before High Court and Labour Commissioner/Officer. The Company has been legally advised that the cases filed by the employees are not sustainable in law and accordingly no provision has been made therefore. Moreover no monetary claim was filed or is pending.
- c) Duty paid and related export obligation status with respect to EPCG licenses which is six times of the duty saved, obtained by the Group are as under :

Particulars	As at 31 st March 2024	As at 31 st March 2023
Export obligation pending	2,684.22	3,203.19

41 CAPITAL COMMITMENTS

(a) Capital commitments

	As at 31 st March 2024	As at 31 st March 2023
Estimated amount of contracts to be executed on capital account not provided for (net of advances)	1,597.56	986.48

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024
(Figures in Million INR, unless stated otherwise)

42 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTION FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE III OF COMPANIES ACT 2013:

31st March 2024

Name of entity	Net assets i.e. total assets minus total liabilities		Share in profit and (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated net profit	Amount (₹ million)	As a % of consolidated other comprehensive income	Amount (₹ million)	As a % of consolidated total comprehensive income	Amount (₹ million)
Holding Company								
Sona BLW Precision Forgings Limited	91.93%	25,740.32	93.57%	4,844.80	(30.64%)	(8.55)	92.90%	4,836.24
Subsidiaries- India								
Comstar Automotive Technology Services Private Limited	0.40%	111.52	0.57%	29.53	(0.50%)	(0.14)	0.56%	29.39
Sona Comstar eDrive Private Limited	0.03%	8.29	(0.11%)	(5.64)	0.00%	-	(0.11%)	(5.64)
Subsidiaries- Foreign								
Comstar Automotive USA LLC	2.99%	836.51	5.23%	270.77	37.72%	10.53	5.40%	281.30
Comstar Automotive Hongkong Limited	0.03%	8.87	(0.12%)	(6.19)	(84.40%)	(23.56)	(0.57%)	(29.76)
Comstar Automotive (Hangzhou) Co., Ltd	0.29%	81.69	(0.60%)	(30.85)	(30.81%)	(8.60)	(0.76%)	(39.45)
Comestel Automotive Technologies Mexicana Ltd	2.48%	694.39	5.22%	270.45	(38.64%)	(10.79)	4.99%	259.67
Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	(0.04%)	(10.12)	0.04%	2.09	12.70%	3.55	0.11%	5.63
Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	0.60%	166.71	(0.00%)	(0.22)	(173.43%)	(48.42)	(0.93%)	(48.64)
Comstar Hong Kong Mexico No. 1, LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	0.03%	9.55	(0.07%)	(3.71)	0.90%	0.25	(0.07%)	(3.46)
Novelic d.o.o. Beograd	4.92%	1,377.87	0.59%	30.62	0.00%	-	0.59%	30.62
Nirsen SRL	0.01%	1.83	0.04%	2.12	0.00%	-	0.04%	2.12
Novelic ESC DOOEL SKOPJE	0.00%	0.96	0.01%	0.45	0.00%	-	0.01%	0.45
Nirsen D.O.O	0.08%	21.54	(0.09%)	(4.77)	0.00%	-	(0.09%)	(4.77)
Non controlling interest	5.35%	1,497.77	0.25%	13.08	18.68%	5.22	0.35%	18.29
Consolidation adjustments	(9.09%)	(2,546.66)	(4.53%)	(234.76)	388.42%	108.44	(2.08%)	(108.03)
Total	100%	28,001.05	100%	5,177.76	100%	27.92	100%	5,205.67

31st March 2023

Name of entity	Net assets i.e. total assets minus total liabilities		Share in profit and (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated net profit	Amount (₹ million)	As a % of consolidated other comprehensive income	Amount (₹ million)	As a % of consolidated total comprehensive income	Amount (₹ million)
Holding Company								
Sona BLW Precision Forgings Limited	98.24%	22,498.17	98.18%	3,880.90	19.34%	14.47	96.71%	3,895.37
Subsidiaries- India								
Comstar Automotive Technology Services Private Limited	0.24%	54.32	0.45%	17.64	(0.17%)	(0.13)	0.43%	17.51
Sona Comstar eDrive Private Limited	0.06%	14.19	(0.02%)	(0.81)	0.00%	-	(0.02%)	(0.81)
Subsidiaries- Foreign								
Comstar Automotive USA LLC	3.38%	773.44	5.94%	234.95	37.85%	28.32	6.54%	263.27
Comstar Automotive Hongkong Limited	0.15%	34.17	(0.10%)	(3.76)	15.29%	11.44	0.19%	7.68
Comestel Automotive Technologies Mexicana Ltd	0.85%	195.68	4.31%	170.30	10.49%	7.85	4.42%	178.15
Comstar Automotive (Hangzhou) Co., Ltd	0.69%	158.83	1.05%	41.37	8.59%	6.42	1.19%	47.80
Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	(0.05%)	(11.36)	(0.21%)	(8.13)	(0.67%)	(0.50)	(0.21%)	(8.64)
Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	0.52%	119.96	0.02%	0.91	10.08%	7.54	0.21%	8.45
Comstar Hong Kong Mexico No. 1, LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Consolidation adjustments	(4.08%)	(935.41)	(9.62%)	(380.40)	(0.80%)	(0.60)	(9.46%)	(380.99)
Total	100%	22,902.00	100%	3,952.97	100%	74.82	100%	4,027.79

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

43 LEASES

(Figures in Million INR, unless stated otherwise)

- The Group has entered into lease arrangements for land, building and plant and machinery that are renewable on a periodic basis with approval of both lessor and lessee.
- The Group does not have any lease commitments towards variable rent as per the contract.
- Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over land and building the Group must keep those properties in a good state of repair and return the properties in their original condition, except for normal wear and tear, at the end of the lease. Further, the Group shall insure items owned by it and incur maintenance fees on such items in accordance with the lease contracts.

iv) Lease liabilities are presented in the statement of financial position as follows:

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current	99.01	117.92
Non-current	1,691.73	659.30
Total	1,790.74	777.22

v) Future minimum lease payments are as follows:

Particulars	As at 31 st March 2024		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	256.68	147.79	99.01
1-5 years	939.63	536.08	402.40
More than 5 years	1,855.51	566.18	1,289.33
Total	3,051.82	1,250.04	1,790.74

Particulars	As at 31 st March 2023		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	117.92	71.63	46.30
1-5 years	481.51	254.36	227.14
More than 5 years	678.14	174.36	503.78
Total	1,277.57	500.34	777.22

vi) The following are amounts recognised in profit or loss:-

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Depreciation expense of right-of-use assets	102.56	83.02
Interest expense on lease liabilities	87.24	77.51
Rent expense (relating to short term leases on which lease liability is not recognised)	48.58	20.69
Total	238.37	181.22

vii) Total cash outflow pertaining to leases

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Total cash outflow pertaining to leases during the year	148.26	112.76

The Group determines the leases term as either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Group will extend the term, or a lease period in which it is reasonably certain that the Group will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

44 REVENUE FROM CONTRACTS WITH CUSTOMERS

(Figures in Million INR, unless stated otherwise)

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Revenue by geography		
Domestic	11,797.43	10,848.36
Export	19,022.06	14,830.78
Total	30,819.49	25,679.14
Timing of revenue recognition		
Revenue recognised at point in time	30,578.17	25,339.26
Revenue recognised over the period of time	241.32	339.88
Total	30,819.49	25,679.14

(b) Liabilities related to contracts with customers*

Particulars	As at 31 st March 2024	As at 31 st March 2023
Opening balance	170.87	156.36
Income recognised from advance	(334.93)	(421.78)
Advance received from customers during the year	362.84	436.29
Advance from customers and contract liability (refer note 21)	198.78	170.87

(c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

There are insignificant discounts offered by the Group to its customers for the year ended 31st March 2024 ₹0.76 million (31st March 2023: ₹0.43 million)

(d) Contract assets*

Particulars	As at 31 st March 2024	As at 31 st March 2023
Opening balance	44.61	56.08
Adjusted during the year	11.21	11.46
Closing balance (refer note 9)	33.40	44.61

* Performance obligations pertaining to balance of contract assets and contract liabilities will get satisfied with in next 12 months.

45 (A) SHARE BASED PAYMENTS

Employee Stock Option Scheme Sona BLW Precision Forgings Limited- 2020 ('Sona BLW ESOP Plan-2020') was approved by the shareholders of the Sona BLW Precision Forgings Limited on 30 September 2020. The maximum number of Options to be granted under the Sona BLW ESOP Plan-2020 shall be 3,342,672 Options which shall upon exercise shall convert into maximum 3,342,672 Shares. The Sona BLW ESOP-2020 Plan entitles employees of the Group to exercise shares in the Group at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Group is given below:

Particulars	Sona BLW Precision Forgings Limited Employee Stock Option Plan -2020
Exercise Price	₹38.34
Grant date	01 st October 2020
Vesting schedule	1,087,740 options 12 months after the grant date ('First vesting')
	1,087,740 options 24 months after the grant date ('Second vesting')
	1,087,740 options 36 months after the grant date ('Third vesting')
Exercise period	Stock options can be exercised within a period of 3 years from vesting date.
Number of share options granted	3,263,220
	The total pool of Options that can be granted under the ESOP Plan is 3,342,672 (Thirty three lakhs forty two thousand six hundred seventy two) Options out of which 3,263,220 (Thirty two lakhs sixty three thousand two hundred twenty) options were granted to the employees.
Method of settlement	Equity

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Stock options will be settled by issue of equity shares of the Company. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹38.34 per option which against the fair market value of ₹79.17 per share determined on the date of grant, i.e. 01st October 2020.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. Total Company share based payment to employees amounting ₹8.70 million for the year ended 31st March 2024 (₹30.18 million for the year ended 31st March 2023) is recognised in the statements of profit and loss of the Company pertaining to options issued to employees of the Company . The following principal assumptions were used in the valuation: Expected volatility was determined by comparison with peer companies, as the Company's shares were not publicly traded at that time. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 1.6% based on the the expected dividend payout by the management. The risk-free rate is the rate associated with a risk-free security with the same maturity as the option. At each balance sheet date, the Company reviewed its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the profit or loss in consolidated statement of comprehensive income, with a corresponding adjustment to 'retained earnings' in equity. The fair value of option using Black Scholes model and the inputs used for the valuation for options that have been granted during the reporting period are summarised as follows:

Particulars	First vesting	Second vesting	Third vesting
Grant date	01 st October 2020	01 st October 2020	01 st October 2020
Vesting date	01 st October 2021	01 st October 2022	01 st October 2023
Expiry date	01 st October 2024	01 st October 2025	01 st October 2026
Fair value of option at grant date using Black Scholes model	44.38	46.28	47.72
Exercise price	38.34	38.34	38.34
Expected volatility of returns	46.19%	46.63%	46.51%
Term to expiry	2.5 years	3.5 years	4.5 years
Expected dividend yield	1.60%	1.60%	1.60%
Risk free interest rate	4.64%	5.04%	5.23%

During the year ended 31st March 2021, the Board of Directors of the Company has approved the issuance of 11 (Eleven) bonus shares of face value ₹10 (Rupees Ten) each for every 1 (One) existing fully paid up equity share of face value ₹10 (Rupees Ten) each. Accordingly number of options has been increased to twelve times of original options and fair value and exercise price of options has been reduced to one twelfth from previous values.

The total outstanding and exercisable share options and weighted average exercise prices for the various categories of option holders during the reporting periods are as follows:

Particulars	31-03-2024	31-03-2023
Options outstanding at the beginning of the period	1,130,548	2,182,420
Number of employees to whom options were granted	62	62
Options vested	1,056,900	1,081,764
Options exercised	1,043,196	1,051,872
Options forfeited/ lapsed/ cancelled	24,864	-
Option expired during the year	Nil	Nil
Options outstanding	Vested:62,488	Vested:48,784
Options outstanding	Unvested: 0	Unvested: 1,081,764
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	1,043,196	1,051,872
Money realised by exercise of options (in INR)	39,996,135	40,328,772
Options outstanding at the period end	-	1,130,548
Options exercisable at the period end	62,488	48,784
Total number of options in force (excluding options not granted)	-	1,130,548
Weighted average remaining contractual life of outstanding options (in years)	2.50	3.50

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Sona BLW ESOP Plan. The employee compensation cost as per fair value method for the year ended 31 st March 2024 is ₹8.70 million (for the year ended 31 st March 2023 was ₹30.18 million)
Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted one Ordinary Shares of the Company upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from grant date
Employee wise details of options granted to	
(i) Key Managerial Personnel	Mr. Vivek Vikram Singh Mr. Rohit Nanda Mr. Ajay Pratap Singh Mr. Vadapalli Vikram Verma Mr. Sat Mohan Gupta Share based payment to Key Managerial Personnel for the year ended 31 st March 2024 is ₹5.55 million (31 st March 2023 was ₹19.19 million)
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	None
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted to any identified employees during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

45 (B) SHARE BASED PAYMENTS

Employee Stock Option Scheme Sona BLW Precision Forgings Limited- 2023 ('Sona BLW ESOP Plan-2023') was approved by the shareholders of the Sona BLW Precision Forgings Limited on 19th July 2023. The maximum number of Options to be granted under the Sona BLW ESOP Plan-2023 shall be 7,610,402 Options which shall upon exercise shall convert into maximum 7,610,402 Shares. The Sona BLW ESOP Plan-2023 entitles employees of the Company to exercise shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan -2023		
	25 th October 2023	15 th March 2024	
Grant date			
Exercise Price	₹508.95	₹641.60	
Vesting schedule	1,706,650 options	25,000 options	12 months after the grant date ('First vesting')
	1,706,650 options	25,000 options	24 months after the grant date ('Second vesting')
	1,706,650 options	25,000 options	36 months after the grant date ('Third vesting')
	1,706,650 options	25,000 options	48 months after the grant date ('Fourth vesting')
Number of share options granted	6,826,600	100,000	
Exercise period	Stock options can be exercised within a period of 3 years from vesting date.		
	The total pool of Options that can be granted under the ESOP Plan is 7,610,402 (Seven million six hundred ten thousand four hundred two) Options out of which 6,826,600 (Six million nine hundred forty-nine thousand four hundred) options were granted to the employees.		
Method of settlement	Equity		

Stock options will be settled by issue of equity shares of the Company. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹508.95/ ₹641.60 per option which against the fair market value of ₹508.95/₹641.60 per share determined on the date of grant, i.e. 25th October 2023 and 15th March 2024 respectively.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term. Total

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Company share based payment to employees amounting ₹138.59 million (excluding ₹11.57 million capitalised) for the year ended 31st March 2024 (Nil for the year ended 31st March 2023) is recognised in the statement of profit and loss of the Company pertaining to options issued to employees of the Company . The following principal assumptions were used in the valuation: Expected volatility was determined basis 50% weight to Sona BLW Precision Forgings Limited and a balance of 50% weight equally to the other comparable companies. The expected option life and average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as 0.55% and 0.48% based on the the expected dividend payout by the management. The risk-free rate is the rate associated with a risk-free security with the same maturity as the option. At each balance sheet date, the Company reviewed its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the profit or loss in statement of comprehensive income, with a corresponding adjustment to 'retained earnings' in equity. The fair value of option using Black Scholes model and the inputs used for the valuation for options that have been granted during the reporting period are summarised as follows:

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Grant Date 25th October 2023				
Vesting date	25 th October 2024	25 th October 2025	25 th October 2026	25 th October 2027
Expiry date	25 th October 2027	25 th October 2028	25 th October 2029	25 th October 2030
Fair value of option at grant date using Black Scholes model	82.10	132.40	169.70	199.40
Exercise price	508.95	508.95	508.95	508.95
Expected volatility of returns	29.95%	35.37%	37.33%	38.20%
Term to expiry (Years)	1.17	2.17	3.17	4.17
Expected dividend yield	0.55%	0.55%	0.55%	0.55%
Risk free interest rate	6.82%	6.94%	7.01%	7.05%
Grant Date 15th March 2024				
Vesting date	15 th March 2025	15 th March 2026	15 th March 2027	15 th March 2028
Expiry date	15 th March 2028	15 th March 2029	15 th March 2030	15 th March 2031
Fair value of option at grant date using Black Scholes model	107.30	160.30	209.90	248.80
Exercise price	641.60	641.60	641.60	641.60
Expected volatility of returns	31.54%	33.56%	36.56%	37.87%
Term to expiry (Years)	1.17	2.17	3.17	4.17
Expected dividend yield	0.48%	0.48%	0.48%	0.48%
Risk free interest rate	6.66%	6.70%	6.73%	6.75%

The total outstanding and exercisable share options and weighted average exercise prices for the various categories of option holders during the reporting periods are as follows:

Particulars	31-03-2024
Options outstanding at the beginning of the period	-
Number of employees to whom options were granted	91
Options vested	-
Options exercised	-
Options forfeited/ lapsed/ cancelled	-
Option expired during the year	-
Options outstanding	Unvested: 69,26,600
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	-
Money realised by exercise of options (in INR)	-
Options outstanding at the period end	-
Options exercisable at the period end	-
Total number of options in force (excluding options not granted)	69,26,600
Weighted average remaining contractual life of outstanding options (in years)	2.67

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Sona BLW ESOP Plan. The employee compensation cost as per fair value method for the year ended 31 st March 2024 is ₹138.59 million (excluding ₹11.57 million capitalised) (for the year ended 31 st March 2023 was Nil)
Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted one Ordinary Shares of the Company upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from vesting date
Employee wise details of options granted to	
(i) Key Managerial Personnel	Mr. Vivek Vikram Singh Mr. Rohit Nanda Mr. Ajay Pratap Singh Mr. Vadapalli Vikram Verma Mr. Sat Mohan Gupta Share based payment to Key Managerial Personnel for the year ended 31 st March 2024 is ₹69.38 million (31 st March 2023 was Nil)
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	None
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted to any identified employees during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

46 INTANGIBLE ASSETS IMPAIRMENT TESTING

Goodwill

As per note no. 5 , the group had recognised an amount of ₹3,518.31 million as goodwill on account of acquisition of Novelic d.o.o. Beograd (₹1,760.22 million), Comstar Automotive Hongkong Limited (₹80.79 million), Comstar Automotive Technology Services Private Limited (₹59.04 million), Comstar Automotive USA LLC (₹36.02 million) in addition to goodwill recognised at standalone (₹1,582.24 million). Annual test for impairment of goodwill was carried out as at 31st March 2024 and 31st March 2023, details of which are outlined below. The outcome of the test indicated that the value in use of business was higher than its carrying value in those CGU's (Cash generating unit). Accordingly, no impairment charge has been recognised in the standalone statement of profit and loss.

The recoverable amount of each CGU was determined based on value-in-use calculations using a discount rate ranging between 9.00%-25.00% reflecting current market assessments of the time value of money and risks specific to the business, covering a detailed five-year forecast and more considering the future economic benefits that will be derived by entity from the use of intangible assets , followed by an extrapolation of expected cash flows using a terminal growth rate of approximately 2%- 4% as determined by the management.

Brand

On 1 August 2018, the Company acquired SONA Intellectual property rights ("Sona IP") and all rights thereto from SONA Management Services Limited ("SMSL") having indefinite useful lives, pursuant to which the group had recognised brand amounting to ₹687.40 million. This was due to the expectation of permanent use of acquired brand. The Company tests on an annual basis whether the brand is impaired based on the value-in-use concept of the entity basis certain inputs outlined below. In March 2024 and March 2023, there was no impairment identified for the brand.

The recoverable amount of the entity was determined on the basis of value in use based on the present value of the expected future cash flows. This calculation uses cash flow projections based on the financial planning covering a five-year period in total. The management believes that any reasonable possible changes in the key assumptions would not cause the Brand's carrying amount to exceed its recoverable amount.

The recoverable amount of the brand was determined based on value-in-use calculations for the company using a discount rate ranging between 13%-14% reflecting current market assessments of the time value of money and risks specific to the business as at the respective dates, covering a detailed five-year forecast , followed by an extrapolation of expected cash flows using a terminal growth rate ranging between 4%-5% as determined by the management.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Intangible assets under development

As per note no. 5, the Company had recognised an amount of ₹2,690.48 million (March 31st 2023 : ₹217.79 million) as Intangible assets under development. Annual test for impairment of Intangible assets under development was carried out as at 31st March 2024 and 31st March 2023, details of which are outlined below. The outcome of the test indicated that the value in use of business was higher than its carrying value in those CGU's (Cash generating unit). Accordingly, no impairment charge has been recognised in the standalone statement of profit and loss.

The recoverable amount of each CGU was determined based on value-in-use calculations using a discount rate ranging between 9.00%-25.00% reflecting current market assessments of the time value of money and risks specific to the business, covering a detailed five-year forecast and more considering the future economic benefits that will be derived by entity from the use of intangible assets, followed by an extrapolation of expected cash flows using a terminal growth rate of approximately 2%- 4% as determined by the management.

Growth rates

The growth rates used are in line with the growth rate of the industry and the countries in which the entities operates and are consistent with the internal/external sources of information.

Discount rates

The discount rates take into the consideration market risk and specific risk factors of the entity. The cash flow projections are based on the forecasts made by the management.

Terminal growth rate

The terminal growth rate is the constant rate at which an entity is expected to grow at the end of the last forecasted cash flow period in a discounted cash flow model and goes into perpetuity.

Sensitivity

The management believes that any reasonable possible changes in the key assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

47 With effect from 1 April 2022, the Parent Company has designated certain forward contracts in the cash flow hedge relationship as eligible hedging instruments for the hedge of foreign currency exposure of highly probable forecasted sales in accordance with Ind AS 109, Financial Instruments. Pursuant to this, the effective portion of change in fair value of the hedging instruments has been recognised in 'cash flow hedge reserve' under other comprehensive income. Amount recognised in cash flow hedge reserve is reclassified to profit or loss as and when the hedged item affects the profit / loss or the hedges are no longer effective.

48 HEDGE ACCOUNTING:

(i) Disclosures of effects of hedge accounting on balance sheet:

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Strike price range	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As on March 31, 2024								
Foreign currency risk								
(i) Foreign exchange forward contracts	13,087.47	35.88	-	April 2024 to January 2026	1:1	USD : 83.04 to 84.86 EUR: 89.57 to 95.90 "	47.42	(47.42)
As on March 31, 2023								
Foreign currency risk								
(i) Foreign exchange forward contracts*	8,896.49	-	11.55	April 2023 to March 2024	1:1	USD : 78.77 to 84.49	(11.55)	11.55

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

(ii) Disclosures of effects of hedge accounting on statement of profit and loss:

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
For the year ended March 31, 2024				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	(23.60)	(0.78)	22.21	Gain on foreign exchange
		-	(56.77)	Reclassify to revenue
For the year ended March 31, 2023				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	(338.36)	(0.51)	(190.03)	Loss on foreign exchange
		-	(164.94)	Reclassify to revenue

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed in above table.

* Refer note 7 and 17 for forward contract closing balance.

(iii) Movements in cash flow hedging reserve

Particulars	As at 31st March 2024	As at 31st March 2023
As at 1 April 2023	12.78	-
Add: Changes in fair value of forward contracts	(23.60)	(338.36)
Less: Amount reclassified to profit or loss	35.35	355.48
Less: Deferred tax relating to above (net)	(2.96)	(4.34)
As at 31 st March 2024	21.57	12.78

49 BUSINESS COMBINATIONS

The Company has acquired 54% stake (representing 54% voting interest) of Novelic d.o.o., world's leading self-sustaining provider of mmWave radar sensors, perception solutions, and full stack embedded systems on 6th September 2023. With NOVELIC's capabilities in sensors and perception solutions, Sona Comstar intends to expand in the area of ADAS and intelligent vehicle technologies. Further amount of goodwill (as stated below) has been recognised on account of gaining business synergies resulting out of this acquisition.

The Company allocated purchase price in accordance with Ind AS 103 on business combinations. The fair value of net assets acquired was determined based on an appraisal of such net assets determined by an external expert on behalf of the management.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

Particulars	Amount
Cash paid to Founders	2,109.62
Cash paid to Company	37.70
Payable to Founders (Present value)	748.46
Payable to Company (Present value)	610.59
Total purchase consideration	3,506.37
Cash and cash equivalents acquired	15.73
Net purchase consideration (A)	3,490.65
Net Assets acquired	1,283.26
Intangible assets	535.54
Intangible assets under development	1,740.50
Non controlling interest	(1,487.46)
Deferred tax (net)	(341.41)
Net assets acquired (B)	1,730.43
Goodwill including assembled workforce(A-B)	1,760.22

Note:

- Customer relationships amounting to ₹187.44 million has been identified as a part of purchase price allocation. Further, deferred tax liability on customer relationship amounting to ₹28.12 million is also recognised and same will be amortised over 5 years.
- Intangible assets amounting to ₹348.10 million has been identified as a part of purchase price allocation. Further, deferred tax liability on customer relationship amounting to ₹52.21 million is also recognised and same will be amortised over 15 years.
- Intangible assets under development amounting to ₹1,740.50 million has been identified as a part of purchase price allocation.
- Net assets acquired includes Right-of-use assets (₹225.88 million), Intangible assets under development (₹397.96 million) and Lease liabilities (₹231.59 million).
- Amount of non controlling interest has been derived through fair valuation of net assets acquired by the entity which was based on an appraisal of such net assets determined by an external expert on behalf of the management.

The results of subsidiary, after elimination of inter company transactions and balances, as included in the consolidated statement of profit and loss for the period 6th September 2023 to 31st March 2024 are given below :

Total Revenue	484.31
Total Expenses	467.26
Profit before tax	17.05
Tax	(11.38)
Profit after tax	28.43
Total comprehensive income	39.77

Had the above acquisitions occurred on 1 April 2023, management estimates that consolidated revenue would have been INR 32,170.71 million, the consolidated profits for the year ended 31st March 2024 would not have been significantly different from the actuals reported.

50 EXCEPTIONAL ITEM

The Company has completed the acquisition of 54% voting rights in Novellic d.o.o. on 06th September 2023, through acquisition of 51% voting rights from the existing shareholders and 3% voting rights as a result of capital infusion in Novellic d.o.o., as per the Share purchase agreement and shareholder agreement. The exceptional item is related to diligence work and other expenses incurred for the said acquisition.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024

(Figures in Million INR, unless stated otherwise)

51 OTHER STATUTORY INFORMATION

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any transactions with companies struck off.

Relationship with struck off companies:

Name of struck off company (31 st March 2024)	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
Nil	Nil	Nil	Nil	Nil

Name of struck off company (31 st March 2023)	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
Metalworking Lubricants India Private Limited	Purchase	0.04	0.04	Supplier of Goods
Competent Engineers Private Limited	Purchase	0.76	-	Supplier of Goods

There were no transactions with struck off companies during the last financial year.

- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

52 RECONCILIATION OF QUARTERLY BANK RETURN

Quarter	Particulars	FY 2023 - 24		FY 2022 - 23	
		Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount as per books of account	Amount as reported in the quarterly return/ statement #
Quarter 1	Trade Receivable	5,514.54	5,514.54	4,723.00	4,692.20
Quarter 1	Inventory	2,750.30	2,750.30	3,079.86	3,080.31
Quarter 1	Trade Payables	2,278.21	2,278.21	1,869.69*	1,869.69
Quarter 2	Trade Receivable	6,177.09	6,177.09	5,173.45	5,131.79
Quarter 2	Inventory	2,954.49	2,954.49	3,099.90	3,100.81
Quarter 2	Trade Payables	2,736.04	2,736.04	2,209.78	2,184.46
Quarter 3	Trade Receivable	5,308.07	5,308.07	5,155.57	5,123.70
Quarter 3	Inventory	3,137.84	3,137.84	2,873.42	2,874.73
Quarter 3	Trade Payables	2,340.23	2,340.23	1,815.75	1,830.54
Quarter 4	Trade Receivable	5,821.37	5,821.37	5,864.48	5,864.48
Quarter 4	Inventory	3,115.91	3,115.91	2,683.67	2,683.67
Quarter 4	Trade Payables	2,693.80	2,693.80	2,308.48	2,308.48

Notes:-

- HDFC, SBI, CITI and Yes Banks are represented as Working capital lenders.
* Above information is given as per the norms of working capital lenders

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2024
(Figures in Million INR, unless stated otherwise)

53 Previous year's figures has been regrouped and/ or reclassified wherever necessary to confirm to the current year's groupings and classifications. The impact of such reclassification/regrouping is not material to the financial statements.

54 AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial Statements for the year ended 31st March 2024 were approved by the Board of Directors on 30th April 2024.

This is the summary of material accounting policies and other explanatory information form an integral part of these Consolidated financial statements.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. : 001076N/N500013

For and on behalf of the Board of Directors of
SONA BLW PRECISION FORGINGS LIMITED

Arun Tandon
Partner
Membership No.: 517273

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
M.No. - FCS-5253

Place: Gurugram
Date: 30th April 2024

Place: New Delhi
Date: 30th April 2024

Form No. AOC-1

Part A

Statement pursuant to Section 129 (3) of the Companies Act, 2013 containing salient features of financial statements of Subsidiaries and Associates Part A : Subsidiaries

Name of the subsidiary	Comstar Automotive Technology Services Private Limited		Comstar Automotive USA LLC		Comstar Automotive Hong Kong Ltd		Comstar Automotive Technologies Mexicana Ltd		Comstar Automotive (Hangzhou) Co., Ltd		Comstar Hong Kong Mexico No. 1, LLC		Comenergia Automotive Technologies Mexicana S. DE R.L. DE C.V.		Comstel Automotive Technologies Mexicana S. DE R.L. DE C.V.		Sona Comstar e-Drive Private Limited		*Sona BLW Edrive Mexicana S.A.P.I. De C.V.		Novelic SRL		Novelic d.o.o Beograd		Novelic Esc Doel Skopje		Nirsen d.o.o Beograd-Zvezdara		
	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024	31st Mar, 2024		
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	INR	USD	USD	USD	USD	RMB	USD	USD	USD	USD	USD	USD	MXN	MXN	MXN	MXN	RSD	RSD	RSD	RSD	RSD	RSD	RSD	RSD	RSD	RSD	RSD	RSD	
Reporting currency	1.00	83.405	83.405	83.405	83.405	11,4825	83.405	83.405	83.405	83.405	83.405	83.405	5,0241	5,0241	5,0241	5,0241	117,1415	23,5493	1,9013	1,9013	117,1415	23,5493	1,9013	1,9013	117,1415	23,5493	1,9013	1,9013	
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	USD - INR	USD - INR	USD - INR	USD - INR	RMB - INR	USD - INR	USD - INR	USD - INR	USD - INR	USD - INR	USD - INR	MXN - INR	MXN - INR	MXN - INR	MXN - INR	RSD = 1EUR	RSD = 1EUR	RSD = 1RON	RSD = 1RON	RSD = 1EUR	RSD = 1EUR	RSD = 1RON	RSD = 1RON	RSD = 1EUR	RSD = 1EUR	RSD = 1RON	RSD = 1RON	
Reporting Amounts in	INR	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	
Share capital	1.30	13.68	121.00	121.00	156.83	75.15	156.83	0.01	0.01	0.07	0.07	0.07	0.07	0.07	0.07	0.07	12.74	12.74	14.00	14.00	12.74	12.74	14.00	14.00	12.00	12.00	12.00	12.00	
Reserves & surplus	110.18	822.98	(113.58)	694.41	(75.15)	(75.15)	694.41	694.41	694.41	(10.19)	(10.19)	(10.19)	(10.19)	(10.19)	(10.19)	(10.19)	(3.18)	(3.18)	2.368.00	2.368.00	566.088	566.088	684.00	684.00	28,878.00	28,878.00	684.00	684.00	
Total assets	119.87	931.69	102.35	873.37	195.89	195.89	873.37	873.37	873.37	218.84	218.84	218.84	218.84	218.84	218.84	218.84	12.15	12.15	9,166.00	9,166.00	2,186.637	2,186.637	2,994.00	2,994.00	41,503.00	41,503.00	2,994.00	2,994.00	
Total liabilities	8.40	178.81	251.84	293.77	114.20	114.20	293.77	293.77	293.77	228.96	228.96	228.96	228.96	228.96	228.96	228.96	0.12	0.12	9,166.00	9,166.00	2,186.637	2,186.637	2,994.00	2,994.00	41,503.00	41,503.00	2,994.00	2,994.00	
Investments	-	83.78	156.91	114.79	-	-	114.79	114.79	114.79	-	-	-	-	-	-	-	7.08	7.08	-	-	45,145	45,145	-	-	-	-	-	-	
Turnover (incl. forex gain/loss)	49.59	1,976.93	-	1,371.16	111.95	-	111.95	111.95	111.95	504.11	504.11	504.11	504.11	504.11	504.11	504.11	-	-	9,346.00	9,346.00	13,019.00	13,019.00	13,019.00	13,019.00	82,995.00	82,995.00	13,019.00	13,019.00	
Profit/ (Loss) before taxation	39.81	363.35	(6.19)	270.45	(30.78)	-	30.78	270.45	270.45	5.00	5.00	5.00	5.00	5.00	5.00	5.00	(3.71)	(3.71)	3,219.00	3,219.00	24,757	24,757	595.00	595.00	(6,246.00)	(6,246.00)	595.00	595.00	
Provision for taxation	10.28	92.58	-	-	0.07	-	0.07	-	-	2.91	2.91	2.91	2.91	2.91	2.91	2.91	-	-	(448.00)	(448.00)	(2,662.00)	(2,662.00)	(448.00)	(448.00)	-	-	-	-	
Profit/ (Loss) after taxation	29.53	270.77	(6.19)	270.45	(30.85)	-	30.85	270.45	270.45	(0.22)	(0.22)	(0.22)	(0.22)	(0.22)	(0.22)	(0.22)	(3.71)	(3.71)	2,771.00	2,771.00	22,095	22,095	2,771.00	2,771.00	(6,246.00)	(6,246.00)	2,771.00	2,771.00	
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	99%	99%	99%	99%	99%	99%	99%	100%	100%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%

*This subsidiary is yet to commence operations
There are no subsidiaries which have been liquidated or sold during the year

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Rohit Nanda
Group Chief Financial Officer

Ajay Pratap Singh
Company Secretary
M.No. - FCS-5253

Place: Gurugram
Date: 30th April 2024

FORM NO. AOC-1**Part B- Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

S. No.	Name of Associates or Joint Ventures	Clean Max Calypso Private Limited
1	Latest audited Balance Sheet Date	31 st March 2024
2	Date on which the Associate or Joint Venture was associated or acquired	25 th January 2024
3	Shares of Associate or Joint Ventures held by the company on the year end	26%
	No.	42,716 Equity Shares
	Amount of Investment in Associates or Joint Venture	INR 54.94 million
	Extent of Holding (in percentage)	26%
4	Description of how there is significant influence	Not Applicable
5	Reason why the associate/Joint venture is not consolidated	The Company does not exercise significant influence or control over the decisions of the Associate. Hence, it is not consolidated in terms of the applicable IND AS.
6	Net worth attributable to shareholding as per latest audited Balance Sheet	INR 54.74 million
	Profit or (Loss) for the year	
i.	Considered in Consolidation	N.A
ii.	Not Considered in Consolidation	(INR 0.20 million)

- Names of associates or joint ventures which are yet to commence operations-None
- Names of associates or joint ventures which have been liquidated or sold during the year-None

For and on behalf of the Board of Directors of
SONA BLW Precision Forgings Limited

Sunjay Kapur
Non-Executive Chairman
DIN: 00145529

Rohit Nanda
Group Chief Financial Officer

Vivek Vikram Singh
Managing Director and
Group Chief Executive Officer
DIN: 07698495

Ajay Pratap Singh
Company Secretary
M.No. - FCS-5253

Place: Gurugram
Date: 30th April 2024



SONA COMSTAR

SONA BLW PRECISION FORGINGS LIMITED

Registered Office- Sona Enclave, Village Begumpur Khatola, Sector 35, Gurgaon 122004

CIN: L27300HR1995PLC083037 Email – investor@sonacomstar.com

Tel: +91-124-4768200; Website – www.sonacomstar.com

Notice is hereby given that the 28th (Twenty Eighth) Annual General Meeting (**AGM**) of the members of Sona BLW Precision Forgings Limited (**Company**) will be held on Friday, 28th June 2024 at 12:00 Noon (IST), through video conferencing (**VC**)/other audio-visual means (**OAVM**) to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at Sona Enclave, Village Begumpur Khatola, Sector 35, Gurgaon-122004, which shall be the deemed venue of the AGM.

ORDINARY BUSINESS

Item No. 1: To consider and adopt the audited Standalone and Consolidated Financial Statements of the Company each for the Financial Year ended on 31st March 2024 together with the Reports of the Board of Directors and Auditors thereon.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the audited Standalone Financial Statements and Consolidated Financial Statements of the Company each for the Financial Year ended 31st March 2024 and the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and is hereby considered and adopted.”

Item No. 2: To declare final dividend of INR 1.53 (Indian one rupee and fifty three paise) per equity share of the Company having face value of INR 10/- (Indian rupees ten only) each, for the Financial Year ended on 31st March 2024.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the final dividend of INR 1.53 (Indian one rupee fifty-three paise only) per equity share of the Company, having face value of INR 10/- (Rupees ten only) each, fully paid-up, be and is hereby declared for the Financial Year ended on 31st March 2024, as recommended by the Board of Directors at their meeting held on 30th April 2024.”

Item No. 3: To appoint Mr. Vivek Vikram Singh (DIN: 07698495) as a director, liable to retire by rotation.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, Mr. Vivek Vikram Singh (DIN: 07698495), who is liable to retire by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

SPECIAL BUSINESS

Item No. 4: Continuation of Mr. Sunjay Kapur (DIN: 00145529), as Non-Executive Director and Chairman of the Company.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the Regulation 17(1D) and other applicable regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**LODR Regulations**), and provisions of Section 152 of the Companies Act, 2013 (**Act**) and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the Company for continuation of Mr. Sunjay Kapur (DIN: 00145529) as Non-Executive Director and Chairman of the Company on the same terms of appointment and remuneration, as were approved by the shareholders of the Company in the Extra Ordinary General Meetings held on 5th July 2019 read with the shareholders’ resolution dated 22nd February 2021.

RESOLVED FURTHER THAT the Board of Directors (including its Committees) of the Company be and are hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 5: Ratification of the remuneration of the Cost Auditors of the Company for the Financial Year 2024-25.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (**Act**) read with the Companies (Audit and Auditors) Rules, 2014, Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to ratify the remuneration of INR 275,000 (Indian rupees two lakh seventy five thousand) plus applicable taxes thereon, besides reimbursement of out-of-pocket expenses, on actuals, incurred in connection therewith, payable to M/s. Jayaram & Associates, Cost Accountants (Firm Registration No. 101077), appointed by the Board of Directors as Cost Auditors of the Company, on the recommendations of Audit Committee, to conduct the audit of the applicable cost records of the Company for the Financial Year 2024-25.

NOTES:

1. A statement under Section 102 of the Companies Act, 2013 (**Act**) and/or as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning the Special Business under Item No. 4 and 5 of the Notice is annexed herewith. Further, additional information in respect of Item No. 3 of the Notice are also annexed herewith.
2. The Ministry of Corporate Affairs (**MCA**) vide its circular dated 25th September 2023, 28th December 2022, 05th May 2022, 14th December 2021 read with circulars dated 13th January 2021, 05th May 2020, 08th April 2020 and 13th April 2020 (collectively referred to as **MCA Circulars**) and the Securities and Exchange Board of India vide its circulars dated 07th October 2023, 05th January 2023, 13th May 2022 read with 15th January 2021 and 12th May 2020 (collectively referred to as **SEBI Circulars**) has permitted the holding of the Annual General Meeting (**AGM**) through VC / OAVM, without the physical presence of the Members at a common venue till 30th September 2024. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**) and MCA Circulars, the 28th AGM of the Company is being held through VC / OAVM. The members can attend and participate in the AGM through VC/OAVM.
3. Pursuant to the above referred MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the bodies corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
4. In compliance with the MCA Circulars and SEBI Circulars, notice of the AGM along with the Annual Report 2023-24 is being sent through electronic mode only to those members whose e-mail address is registered with the Company's Registrar and Share Transfer Agent

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees), be and are hereby authorised to do all such acts and take all such steps as may be necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

By Order of the Board
SONA BLW Precision Forgings Limited

Ajay Pratap Singh

Group General Counsel, Company Secretary
and Compliance Officer
Membership No. F5253

Place: Gurgaon

Date: 30th April 2024

Registered Office:

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

Email – investor@sonacomstar.com

Tel: +91-124-4768200

Website – www.sonacomstar.com

CIN: L27300HR1995PLC083037

/Depository Participants as on **Friday, 31st May 2024**.

Members may note that the notice and Annual Report of Financial year 2023-24 will also be available on the Company's website at www.sonacomstar.com, websites of the Stock Exchanges i.e. BSE Limited (**BSE**) and National Stock Exchange of India Limited (**NSE**) at www.bseindia.com and www.nseindia.com respectively and website of NSDL at evoting@nsdl.co.in. Any member seeking hard copy of the Annual Report may write to us at investor@sonacomstar.com.

5. The Board of Directors of the Company has appointed Mr. Ankit Singhi (FCS No. - 11685; CP No. 16274), and failing him, Mr. Nitesh Latwal (ACS No. – 32109; CP No. 16276), Partners of M/s. PI & Associates, Practicing Company Secretaries as the scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.
6. The scrutinizer will, after the conclusion of e-voting at the AGM, scrutinize the votes casted at the meeting, votes casted through remote e-voting and make a consolidated scrutinizer's report and submit the same to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the results (consolidated) within 2 (two) working days from the conclusion of the AGM.
7. The result declared along with the scrutinizers report shall be displayed at the registered office as well as corporate office of the Company and immediately after the declaration will also be placed on the Company's website at www.sonacomstar.com and on the website of NSDL e-voting at www.evoting.nsdl.com and the same shall be communicated to BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE**).
8. The members can join the AGM through VC/OAVM mode 30 minutes before the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of

participation at the AGM through VC/OAVM will be made available for 1000 (One thousand) members on first come first serve basis. This will not include large members (members holding 2% or more shareholding), promoters, institutional investors, Chairman, directors, key managerial personnel, the Chairperson of the audit committee, nomination and remuneration committee and stakeholders relationship committee, auditors etc. who are allowed to attend the AGM without any restriction.

9. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the SEBI Circulars and MCA Circulars, the Company is providing facility of remote e-voting and e-voting at the AGM to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (**NSDL**) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
11. For receiving all communication (including annual report) from the Company electronically, members are requested to register/update their email address.
12. The members sharing the personal information or data with the Company or its RTA do hereby authorise the Company to collect and process their personal data for the regulatory purposes.

Manner of registering / updating email addresses:**A) For members holding shares in physical mode:**

Members holding shares in physical mode who have not registered/ updated their email addresses with the Company, are requested to register/update the same by providing the signed **Form ISR-1** to Company's RTA. Members can also write to the Company/RTA at investor@sonacomstar.com / einward.ris@kfintech.com respectively along with the copy of signed Form ISR-1 mentioning all the details including folio number, name and address of the member, permanent account number (**PAN**), email address, mobile number etc.

B) For members holding shares in dematerialised mode:

Members holding shares in dematerialised mode are requested to register/ update their email addresses/ electronic bank mandate by contacting their respective depository participant.



13. Since the AGM will be held through VC/ OAVM, the route map of the venue of the meeting is not annexed hereto.
14. The members, whose names appear in the Register of Members/list of Beneficial Owners as on the **Cut Off Date i.e., Friday, 21st June 2024**, are entitled to vote on the resolutions set forth in this notice. A person who is not a member as on the Cut-Off Date should treat this notice of AGM for information purpose only. Once vote on a resolution is casted by a member, the member shall not be allowed to change it subsequently. Further, the members who have casted their vote through remote e-voting shall not be allowed to vote again at the AGM.
15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, Annual Report along with the AGM notice and all other documents as referred in the notice and explanatory statement, including certificate from the secretarial auditors of the Company under Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available electronically for inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e. **28th June 2024** and also during the AGM. Members seeking to inspect such documents can send an email at investor@sonacomstar.com.
16. The final dividend for the Financial Year ended 31st March 2024 as recommended by the Board, if approved at the AGM, will be paid to those members whose name will appear in the Company's Register of Members or as the Beneficial Owner as per the record of depositories as on the Record Date i.e. **Friday, 14th June 2024**.

Members are requested to update/register electronic bank mandate for the purpose of receiving the dividends directly in their bank account(s) on pay-out date.

Manner of registering / updating Electronic Bank Mandate:**A. For members holding shares in physical mode:**

Members holding shares in physical mode who have not updated their mandate for receiving the dividends directly in their bank account(s) on pay-out date through Electronic Clearing Services or any other means (**Electronic Bank Mandate**), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically, by sending the signed Form ISR-1 to Company/RTA along with the following details/document by email to investor@sonacomstar.com / einward.ris@kfintech.com;

- i) Name and branch of bank in which dividend is to be received and bank account type;
- ii) Bank account number allotted by your Bank after implementation of core banking solutions;
- iii) 11digit IFSC Code; and

- iv) Self-attested scanned copy of cancelled cheque bearing the name of the members or the first holder, in case shares are held jointly.

B. For members holding shares in dematerialised mode:

Members holding shares in dematerialised mode are requested to register/ update Electronic Bank Mandate by contacting their respective depository participant.

17. Members holding shares in dematerialised form may please note that bank details as furnished by the respective depositories will be used for the purpose of distribution of dividend to members. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialised mode) and with the Company's Registrar and Transfer Agent (**RTA**) (where shares are held in physical mode) by providing the signed Form ISR-1 which is available on the website of the Company at <https://sonacomstar.com/investor-relations>. The Company or the Share Transfer Agent will not act on any direct request from such members for change/deletion in bank details.
18. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 30th June 2024 and linking PAN with Aadhaar by 30th June 2024. Further, members holding shares in electronic form are required to update their nomination details by 30th June 2024. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars and share transfer agent i.e. M/s KFin Technologies Limited at inward.ris@kfintech.com. The forms for updating the same are available of the website of the Company at <https://sonacomstar.com/investor-relations> and on the website of the RTA of the Company at Investor Support Center Kfintech <https://ris.kfintech.com>
19. In accordance with the provisions of Section 72 of the Act, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at <https://sonacomstar.com/files/Investor-FAQ.pdf>. Members are requested to submit the said details to their respective depository participant, in case the shares are held by them in dematerialised form and to the Company/RTA, in case the shares are held by them in physical form.

COMMUNICATION ON TAX DEDUCTION AT SOURCE ON DIVIDEND DISTRIBUTION

Shareholders may note that pursuant to changes in the Income Tax Act, 1961 (**IT Act**), as amended by the Finance Act, 2020, dividend Income is taxable in the hands of shareholders and the Company is required to deduct Tax at Source (**TDS**) at the time of making the payment or distribution of dividend to the shareholders at the prescribed rates. Tax shall be deducted at source @ 10 % for resident shareholders with valid Permanent Account Number (**PAN**); or @ 20% for resident shareholders without PAN or invalid PAN (as per Sec. 206AA of IT Act). Further, the TDS rate of 10% is subject to provisions of Section 206AB of the IT Act (effective from 01st July 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in Section 206AB of the IT Act, tax is required to be deducted, at the higher of the following rates, in case of payments to the '**specified person**'.

- At twice the rate specified in the relevant provision of the IT Act; or
- At twice the rate or rates in force; or
- At the rate of 5%.

The term 'Specified Person' as defined in Section 206AB of the IT Act means a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the Financial Year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

Further, TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under Section 197 of the IT Act, if such valid certificate is provided.

However, no TDS shall be deducted on the dividend payable to:

A) Individual shareholders, if:-

the amount of such dividend or as the case may be, the amounts of such dividend distributed or paid or likely to be distributed or paid during the Financial Year **does not exceed INR 5,000/-**, or their **income is below the taxable limit and declaration is received** from such shareholders in Form 15G (for individual resident, who is of the age of below 60 years, click here for Form 15G <https://sonacomstar.com/investor/corporate-announcements>) or in Form 15H (for individual resident, who is of the age of 60 years or more, click here for Form 15H <https://sonacomstar.com/investor/corporate-announcements>).

B) Insurance Companies (viz. LIC, GIC etc.), Mutual Funds and Alternative Investment Funds (incorporated in India), where the following documents, complete in all respects, are received from them:

Category of shareholder	Exemption applicability/Documentation requirement
Mutual Funds	<ol style="list-style-type: none"> A self-declaration that they are governed by the provisions of Section 10(23D) of the Income-tax Act, 1961; Self-attested copy of SEBI registration certificate; and Self-attested copy of PAN.
Insurance Companies	<ol style="list-style-type: none"> A self-declaration that they are covered by the second proviso to Section 194 of the Income-tax Act, 1961 and has full beneficial interest with respect to the shares owned by it; Self-attested copy of IRDA registration certificate; and Self-attested copy of PAN.
Category I and II Alternative Investment Fund (AIF)	<ol style="list-style-type: none"> A self-declaration that the income of the AIF is exempt under Section 10(23FBA) of the Income-tax Act, 1961 and that they are governed as Category I or Category II AIF under the SEBI regulations; Self-attested copy of SEBI registration certificate; and Self-attested copy of PAN.
Other non-individual resident shareholder	<ol style="list-style-type: none"> A self-declaration that dividend receivable by them is exempt from tax under Section 196 or other relevant provisions of the Income-tax Act, 1961; and Self-attested copies of documents in support of the claim.

In case of non-resident shareholder, taxes shall be withheld as per section 195 and section 196D of the IT Act, at the rates, as applicable. As per the relevant provisions of the IT Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the IT Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

Further, as per Section 90 of the IT Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (**DTAA**) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, to avail Tax Treaty benefits, the non-resident shareholders are required to provide the following:

- Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name; (b) email id; (c) contact number; (d) address in residency country; and (f) Tax Identification Number of the residency country (for format click <https://sonacomstar.com/investor/corporate-announcements>)

- Self-attested copy of Tax Residency Certificate (**TRC**) (for the period April 2024 to March 2025) obtained from the tax authorities of the country of which the shareholder is a resident.
- Self-declaration in electronic Form 10F is required.
- Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (for the period April 2024 to March 2025) (for format click <https://sonacomstar.com/investor/corporate-announcements>).
- In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
- In case of shareholder being tax resident of a foreign country or specified territory where the Double Taxation Avoidance Agreement between India and that foreign country or specified territory, as the case may be, prescribes additional conditions (for example Article 24 of the India-Singapore Tax Treaty) for the shareholder to avail any beneficial tax treatment, please furnish relevant evidences demonstrating eligibility to avail such beneficial tax treatment (for example letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA). It is recommended that shareholder should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by the relevant DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

Note: The non-resident who does not have the permanent establishment is excluded from the scope of a "Specified Person definition" as provided under section 206AB of the IT Act.

The Tax Exemption Forms from resident shareholders and Forms & Documents from non-resident shareholders for availing the benefit of Tax Treaty Rate, as stated above, to be uploaded on the link <http://ris.kfintech.com/form15/forms.aspx?q=0> on or before **Friday, June 14, 2024**.

Kindly note that no communication/documents on the tax determination/ deduction shall be considered post 11:59 PM (IST) of **Friday, June 14, 2024**.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, shareholder would still have an option of claiming refund of the excess tax deducted at the time of filing their income tax return by consulting their tax advisors.



No claim shall lie against the Company for such taxes deducted.

Credit of TDS will be available for verification in Form 26AS to those shareholders who have registered valid PAN as above, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>. The TDS Certificate, if applicable, will be e-mailed to your registered e-mail address in due course of time, post payment of the aforesaid dividend.

Further, in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided to be provided by the Shareholder(s), Such shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING/ E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on **Tuesday, 25th June 2024 at 9:00 A.M. (IST)** and ends on **Thursday, 27th June 2024 at 5:00 P.M. (IST)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of Members / Beneficial Owners as on the Cut-off date i.e. **Friday, 21st June 2024** may cast their vote electronically. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 09th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL

eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial

password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for

which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to info@piassociates.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on: 022 - 4886 7000 or send a request to (Ms. Pallavi Mhatre – Senior Manager, NSDL at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@sonacomstar.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@sonacomstar.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 09th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system.

Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of **"VC/OAVM link"** placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the meeting through laptops for better experience.
3. Further members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at investor@sonacomstar.com at least 48 hours before the date of AGM. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
6. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

ADDITIONAL INFORMATION IN RESPECT OF ITEM NO. 3 OF THIS NOTICE

Mr. Vivek Vikram Singh joined the Company on 01st July 2016. He was appointed as Managing Director and Group Chief Executive Officer of the Company with effect from 05th July 2019 and was re-appointed as Managing Director and Group Chief Executive Officer with effect from 05th July 2022. He has been associated with the Company for more than 7 (seven) years.

Mr. Singh is responsible for implementing strategic decisions for growth (both organic and inorganic), internal performance monitoring across safety, quality, delivery and other operational metrics, management of financial stakeholders (investors, lenders and other financial partners), performance assessment of individual business units and their leaders, for the Company and its subsidiaries. He is also responsible for overseeing the production of auto components and systems platform in electric vehicles and hybrids, capital allocation decisions, shareholders' engagement.

Prior to this, Mr. Singh was working with Sona Koyo Steering Systems Limited. (now JTEKT India Limited) and prior to that he was the advisory leader for the industrials and auto sectors for Grant Thornton India. He has over 19 (nineteen) years of experience, including 8 (eight) years of experience in the automotive industry. He has a decade's experience in business advisory services with exposure to several advisory areas spanning transactions as well as strategy related advisory services. His primary work areas were working with private sector clients to assist them with strategy formulation/ implementation, due diligence and synergy evaluation for

private equity transactions, performance improvement and architecture, and business planning.

He was awarded 'Entrepreneurial CEO of the Year 2021' by EY India in April 2022. He was also recognised as one of the India's 40 under forty hottest business leaders by the Economic Times in 2018.

Pursuant to section 152(6) of the Companies Act, 2013, not less than 2/3rd of the total number of directors of the public company shall be the persons whose period of office is liable to determination by retirement of directors by rotation and out of that 2/3rd, 1/3rd of such directors shall be liable to retire by rotation at every annual general meeting of the Company. Mr. Vivek Vikram Singh, being the longest in the office and meeting the other criteria specified for becoming liable to retire by rotation, is liable to retire by rotation at this annual general meeting, and being eligible offer his candidature for reappointment as director of the Company.

The remuneration paid to Mr. Singh is within the limits approved by the shareholders of the Company in 26th Annual General Meeting of the Company held on 14th July 2022 and his remuneration includes the variable pay, which is linked to KPIs defined at the beginning of the year.

The additional information as required under Regulation 36(3) of the Listing Regulations, as amended, and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India is given in **Annexure A**.

The Board recommends the **Ordinary resolution** as set out in Item No. 3 of this notice for the approval of members.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 4

Based on the recommendation of the Nomination and Remuneration Committee (**NRC**), the Board of the Directors of the Company in their meeting held on 05th July 2019, has approved the appointment of Mr. Sunjay Kapur, as Non-Executive Chairman of the Company w.e.f. 05th July 2019. His appointment was subsequently approved by the members of the Company in the extra ordinary general meeting held on the same day i.e. 05th July 2019.

Further, based on the recommendation of NRC, the Board of Directors of the Company in their meeting held on 22nd day of February, 2021, had approved the variation in terms of appointment and remuneration payable to Mr. Kapur as the Non-Executive Director and Chairman of the Company w.e.f. 22nd February 2021, which was subsequently approved by the members of the Company in the extra ordinary general meeting held on the same day i.e. 22nd February 2021.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, read with Regulation 17(1D) in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, (**Listing Regulations**) which provides that **"w.e.f. 01st April 2024, the continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be."**

Provided that the continuation of the director serving on the board of directors of a listed entity as on 31st March 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after 31st March 2024."

Since, Mr. Kapur was appointed as a Non-Executive Chairman of the Company w.e.f. 05th July 2019, therefore, in light of the Regulation 17(1D) of the Listing Regulations, the approval of shareholders of the Company is required for continuation of Mr. Sunjay Kapur (DIN: 00145529) as the Non-Executive Director and Chairman of the Company on the terms of appointment and remuneration as approved by the shareholders of the Company in the extra ordinary general meetings held on 05th July 2019 read with the shareholders' resolution dated 22nd February 2021.

Mr. Kapur is not disqualified in terms of Section 164 of the Act and has given his consent to act as a director of the Company. He is not debarred from holding the office of a director by virtue of any order issued by the Securities and Exchange Board of India or any other such authority.

Brief Profile

Mr. Sunjay Kapur has over two decades of experience and expertise in the automotive industry. Mr. Kapur hold eminent positions in several autonomous industry associations and fora. He is a member of the National Council of the

Confederation of Indian Industry (**CII**) and Current Deputy Chair of CII Northern Region (2024-25). He Chaired the CII Europe Committee for 2023-24. He is on the Governing Board & Council of CII-VLFM (Visionary Leadership for Manufacturing) Programme, on the Advisory Board of CII-Triveni Water Institute, and a Member of CII Task Force on Global Value Chains (GVCs). He has notably served as the Co-Chair of the CII National Manufacturing Council (2020-23) and Chairman of CII Haryana State Council (2020-21).

Mr. Kapur completed his two-year term as President of the Automotive Component Manufacturers Association of India (2021-23). He is presently Mentor to the Young Business Leaders' Forum (YBLF) at ACMA. Mr. Kapur is a member of the All-India Management Association (AIMA) Council. He is also a member of Entrepreneurs' Organisation, Delhi Chapter, and Young Presidents' Organisation (YPO Gold), New Delhi.

Mr. Kapur is on the Board of Governors of his alma mater, The Doon School, India since 2020. He also serves as Chairman of the school's Sports Committee, promoting sports and overall development amongst students. Mr. Kapur is also on the Advisory Council of Munjal Institute for Global Manufacturing (MIGM), India. Recognised globally for his entrepreneurial spirit, Mr. Kapur was notably elected as the Global Chairman of Entrepreneurs' Organisation (2007-08), becoming the first and only person from India to hold this prestigious position.

He holds a bachelor's degree in business administration from the University of Buckingham, U.K. Additionally, he was in the class of 'The Birthing of Giants' program at MIT, USA, a three-year program by EO, MIT, and Inc. Magazine. In 2013, he completed the Owner President Management (OPM) program at Harvard Business School. He has also completed a program on 'Growth in the Family Enterprise' at the Indian School of Business and the University of Pennsylvania (Wharton).

Mr. Sunjay Kapur is a doyen of the Indian Auto Industry. He serves as an Independent Director on the board of listed and other companies. Prior to his appointment as Non-Executive Director, Mr. Kapur was the Managing Director of the Company and has been continuously associated with the company since August 2006. In his previous role as Managing Director, Mr. Kapur was responsible for management of the whole of affairs of the Company.

Mr. Kapur's current responsibilities includes the followings:

- (i) engage with the customers (along with the other key managerial personnel and relevant employee(s) of the Company);
- (ii) represent himself, the Company and its subsidiaries in industry associations, forums;
- (iii) attend conferences and other business events;
- (iv) contribute and participate in the strategic planning for the Company and its subsidiaries;
- (v) introduce new customers to the Company; and
- (vi) introduce new technology partner(s) to the Company.

The remuneration payable to Mr. Sunjay Kapur, as Non-Executive Director and Chairman of the Company, as approved by the shareholders in their extra ordinary general meeting held on 05th July 2019 read with the shareholders resolution dated 22nd February 2021, is mentioned hereinbelow. There is no change or increment in the remuneration of Mr. Sunjay Kapur, since 05th July 2019.

a) Remuneration:

Mr. Kapur shall be entitled to the remuneration of INR 2,40,00,000 (Indian rupees two crores and forty lakhs only) per annum, payable by the Company on a monthly basis.

b) Perquisites / Benefits:

In addition to the above remuneration, he shall continue to be entitled to following perquisites / benefits:

- maintenance of the current office for his exclusive use at the manufacturing unit of the Company located at Unit-2 of the Company at Sona Enclave, Village Begumpur Khatola, Gurgaon;
- a personal secretary or assistant, in accordance with the employment, human resource and other relevant policies of the Company;
- all existing memberships of industry associations, professional bodies and clubs which have been availed by the Company, will continue to be maintained for his use or benefit in the manner existing as on the date of this resolution;
- use of car owned by the Company with a Company provided driver;
- reimbursement of travel expenses (including boarding, lodging, airfare, and conveyance) incurred by him for the purposes of attending customer meeting(s) and industry association meeting(s), on actual basis, and upon receipt of supporting documents. The Company will not reimburse any personal expenses incurred by him; and
- reimbursement of the flight and hotel expenses for attending board and committee meetings, at actuals, in accordance with the Company's policies.

The Board considered the remuneration to be payable to Mr. Kapur as Non-Executive Director and Chairman of the Company to be commensurate with the contribution made by him, his long association with the Company and his stature and profile in the auto industry. Mr. Kapur has been and is instrumental in shaping and steering the long-term strategy of the Company. The role of Mr. Kapur as Non-Executive Director and Chairman and Mr. Vivek Vikram Singh, Managing Director & Group Chief Executive Officer (CEO) has been clearly demarcated based on their respective profiles and experience in the Company and the industry. Also, the remuneration payable to Mr. Kapur is as per industry standards and justified given his experience, expertise and responsibilities.

The additional information as required under Regulation 36(3) of the Listing Regulations, as amended, and Secretarial

Standards on General Meetings issued by the Institute of Company Secretaries of India (ICSI) is given in **Annexure A**.

Except Mr. Sunjay Kapur, Non-Executive Director and Chairman of the Company and his relatives, to the extent of their shareholding interest, if any, none of the directors, key managerial personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the resolution as set out in Item No. 4 of the notice.

The Board recommends the **Ordinary resolution** as set out in Item No. 4 of this notice for the approval of members.

ITEM NO. 5

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 30th April 2024, approved the re-appointment of M/s. Jayaram & Associates, Cost Accountants, (Firm Registration No.: 101077), as the Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the Financial Year 2024-25, at a remuneration of INR 275,000 (Indian rupees two lakh seventy five thousand) plus applicable taxes thereon, besides reimbursement of out-of-pocket expenses on actuals incurred in connection therewith, payable to the Cost Auditor for the Financial Year 2024-25.

M/s. Jayaram & Associates, Cost Accountants, have furnished fresh certificate confirming that they hold a valid certificate of practice under Section 6(1) of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2024-25.

None of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution as set out in Item No.5 of this notice for the approval of the members as an **Ordinary Resolution**.

By Order of the Board
SONA BLW Precision Forgings Limited

Ajay Pratap Singh
Group General Counsel, Company Secretary

Place: Gurgaon

Date: 30th April 2024

Registered Office:

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

CIN: L27300HR1995PLC083037

Email – investor@sonacomstar.com

Website: www.sonacomstar.com

Tel: +91-124-4768200

Annexure-A

Additional information on director recommended for appointment/continuation as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards issued by the Institute of Company Secretaries of India (ICSI) are as follows:

Name of director	Mr. Sunjay Kapur	Mr. Vivek Vikram Singh
Director Identification Number (DIN)	00145529	07698495
Age	52 years	44
Designation/category of the Director	Non-Executive Director and Chairman	Managing Director and Group Chief Executive Officer
Date of Birth	15 th October 1971	24 th July 1979
Qualifications	Bachelor's degree in business administration from the University of Buckingham, U. K	B. Tech (Computer Science and Engineering) from HBTI, Kanpur and PGDM from IIM, Ahmedabad
Date of first appointment on Board of the Company	05 th July 2019	05 th July 2019
Directorships held in other companies	B R S Finance and Investment Company Private Limited Aureus Investment Private Limited (Previously Known as Sona Autocomp Holding Private Limited) Raghuvanshi Investment Private Limited Indian Public Schools Society Azarias Advance Systems Private Limited Jindal Steel & Power Limited Udayan Finvest Private Limited Novelic d.o.o Beograd-Zvezdara Osborne Agri Company Private Limited	Ennovi Holdings Pte. Ltd. Ionesco Cayman Investment Limited Ionesco Cayman Limited
Number of Equity Shares held in the Company (including shareholding as a beneficial owner)	He is the significant beneficial owner as per the Companies Act, 2013 and indirectly hold 29.71% shares of the Company through Aureus Investment Private Limited (earlier Sona Autocomp Holding Private Limited) and Rani Kapur- RK Family Trust.	As on 30 th April 2024, Mr. Singh hold 3,03,000 (0.05%) equity shares of the Company.
Brief Profile/resume, Experience, and Nature of expertise in specific functional areas	As mentioned in the Explanatory Statement in Item No. 4 of this Notice.	As mentioned in the Additional information provided for Item No. 3 of this Notice.
Inter-se relationships with directors and key managerial personnel	NA	NA
Directorship and Committee membership held in Listed companies (other than SONA BLW) (including the listed entities from which he had resigned in past 3 years)	Directorship held in Listed Company Jindal Steel & Power Limited	Committee membership -
Key terms and conditions of re-appointment	Same terms which was earlier approved by the shareholders in its meeting held on 05 th July 2019 and 22 nd February 2021. The brief of the terms are provided in the explanatory statement.	He was re-appointed as Managing Director and Group CEO of the Company in the 26 th Annual General Meeting of the Company held on 14 th July 2022.
Resignation from Listed Entities as Director in past 3 years	NA	NA
Remuneration last drawn (including sitting fees, if any)	INR 24 million	As mentioned in the Corporate Governance Report.
Remuneration proposed to be paid	As approved by the shareholders in their extra ordinary general meeting held on 05 th July 2019 read with the shareholders resolution dated 22 nd February 2021 and mentioned in the explanatory statement. There is no change or increment in the remuneration of Mr. Kapur since 5 th July 2019.	In accordance with the limit approved by the shareholders of the Company in the 26 th Annual General Meeting of the Company held on 14 th July 2022.
In the case of Independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	As mentioned in the Corporate Governance Report and explanatory statement to this notice.	As mentioned in the Corporate Governance Report.

INFORMATION'S AT A GLANCE

S. No	Particulars	Details
1.	Day, Date and Time of AGM	Friday, 28th June 2024, 12:00 Noon (IST)
2.	Mode	Video Conference (VC)/Other Audio-Visual Means (OAVM)
3.	Participation through video-conferencing	Members can login from 11:30 A.M. (IST) on the date of AGM at https://emeetings.kfintech.com
4.	Helpline email-id and contact number for e-voting and AGM participation	NSDL: - evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30. CDSL: - helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.
5.	Submission of Questions / Queries before AGM	Questions/queries shall be submitted 48 hours before the time fixed for AGM i.e. by 12:00 Noon (IST) on Friday, 28th June 2024 by any of the following process: <ul style="list-style-type: none"> Email to investor@sonacomstar.com mentioning name, demat account number/folio number, registered email ID, mobile number, etc. Members can also post their questions during AGM through the "Ask A Question" tab which is available in the VC/OAVM facility as well as in the one way live webcast facility.
6.	Speaker registration before AGM	Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, email id, mobile number at investor@sonacomstar.com at least 48 hours before the date of AGM. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7.	Recorded transcript	Will be made available post AGM at www.sonacomstar.com
8.	Total dividend for FY24 recommended by Board	INR 3.06 (Rupees three six paise only) (30.6%) per Equity Share of the face value of INR 10 each/-.
9.	Record date for final dividend	Record date for final dividend is Friday, 14th June 2024.
10.	Information of tax on dividend 2023-24	As mentioned in this Notice.
11.	Cut-off date for e-voting	Friday, 21st June 2024.
12.	Remote e-voting start time and date	Tuesday, 25th June 2024 at 9:00 A.M. (IST)
13.	Remote e-voting end time and date	Thursday, 27th June 2024 at 5:00 P.M. (IST)
14.	Email registration & contact updation process	Demat shareholders: Contact your respective Depository Participant. Physical Shareholders: Send Form ISR-1 and other relevant forms to KFintech at Selenium, Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana India – 500 032 or at the email Id inward.ris@kfintech.com .

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sunjay Kapur

Chairman and Non-Executive Director

Vivek Vikram Singh

Managing Director & Group CEO

Venkata Rama Subbu Behara[@]

Independent Director

Amit Dixit

Non-Executive Director (Nominee)

Jeffrey Mark Overly

Independent Director

Prasan Abhaykumar Firodia

Independent Director

Shradha Suri

Independent Director

Manisha Girotra*

Independent Director

@Retiring from the Company w.e.f. 04th July 2024

*Appointed w.e.f. 01st January 2024

KEY MANAGERIAL PERSONNEL

Vivek Vikram Singh

Managing Director & Group CEO

Rohit Nanda

Group Chief Financial Officer

Ajay Pratap Singh

Group General Counsel, Company Secretary and Compliance Officer

AUDITORS

SECRETARIAL AUDITORS

PI & Associates,

D-38 South Extn. Part-I, New Delhi - 110049 India.

STATUTORY AUDITORS

Walker Chandiok & Co LLP, Chartered Accountants

21st Floor, DLF Square, Jacaranda Marg,
DLF Phase II, Gurugram, Haryana - 122002, India

Tel: +91 124 462 8000

E-mail: arun.tandon@walkerchandiok.in

Firm Registration Number: 001076N/N500013

Peer Review Number: 011707

INTERNAL AUDITORS

BDO INDIA LLP

The Plam Springs Plaza, Office No. 1501-08, Sector 54,
Gold Course Road, Gurugram 122001

COST AUDITORS

Jayaram & Associates

New No. 10, Old No. 8, Rajan Street, T. Nagar,
Chennai - 600017





SONA COMSTAR

SONA BLW PRECISION FORGINGS LIMITED

Registered Office:

Sona Enclave, Village Bengumpur Khatola,

Sector 35, Gurgaon - 122 004

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