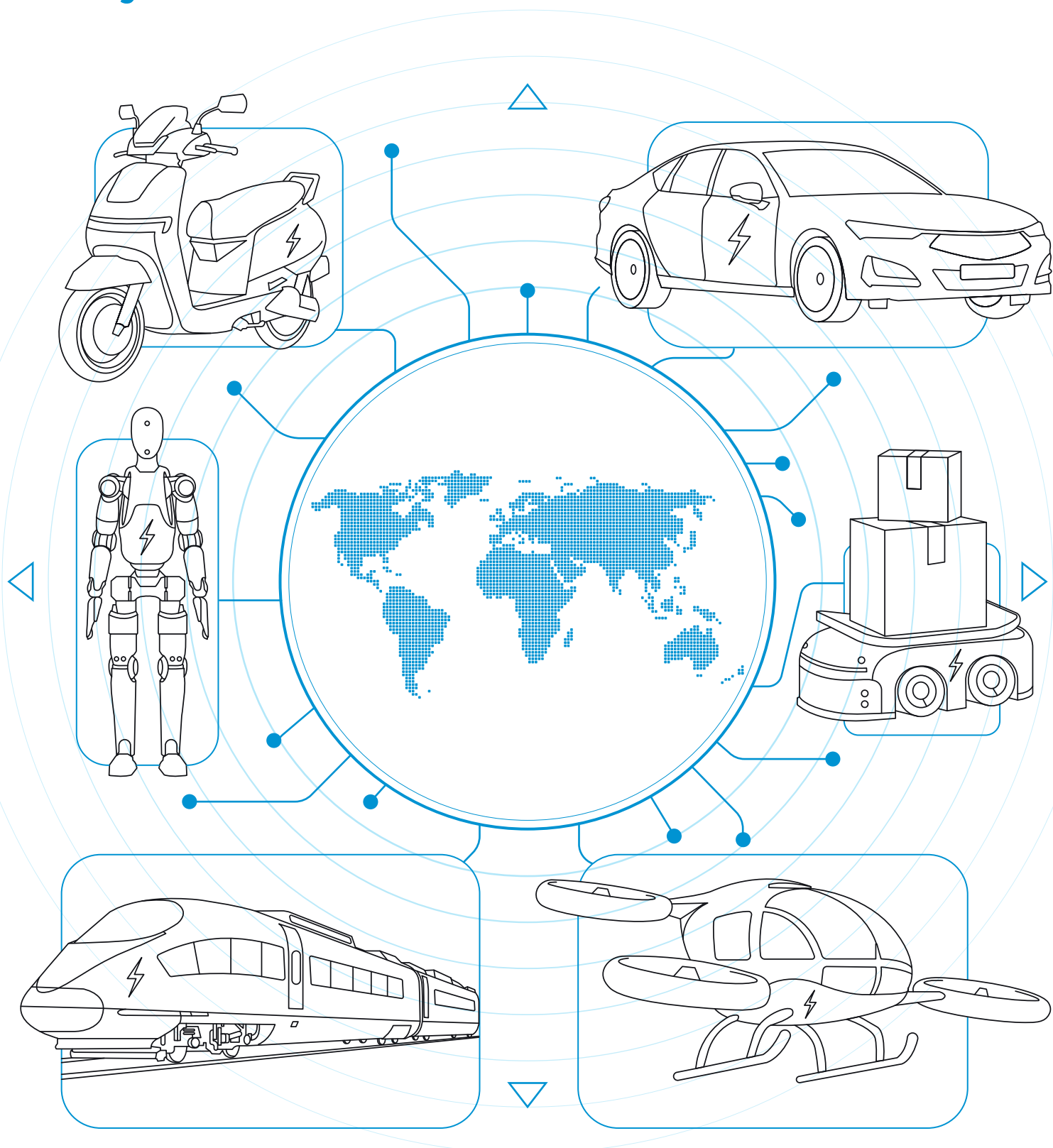




Bigger Bets. Bolder Moves. Beyond Boundaries.



Bigger Bets. Bolder Moves. Beyond Boundaries.

At Sona Comstar, we believe that the next decade of mobility will be shaped not by incremental progress but by exponential change. Technologies are advancing at an unprecedented pace, and customer expectations are rapidly shifting. Leading in this era requires more than simply maintaining the status quo; it demands the courage, clarity, and conviction to make bold choices that will define the markets we aspire to lead tomorrow.

Our ability to identify emerging trends early has enabled us to evolve from an automotive technology company into a global provider of technology solutions to the broader mobility spectrum. We don't just follow trends; we strive to set them. This requires the courage to embrace new ideas and act swiftly. That's why we think ahead and act with a long-term vision for decades to come.

At Sona Comstar, our goal is to offer components, subsystems, and systems for all forms of transportation, whether for people or goods. We are making bigger bets (read more on Pg. 18), bolder moves (read more Pg. 40), and exploring beyond boundaries (read more Pg. 60) to seize new growth opportunities. We evaluate these opportunities using specific criteria: long-term product relevance, potential for market leadership in fast-growing and sizeable markets, significant diversification, sound financial investment, and, most importantly, the positive impact on the world.

The future is not something we await; it is what we build together!

FY25 highlights

INR 35,545 mn
Revenue
⬆️ 12%

INR 9,753 mn
EBITDA
⬆️ 8%

INR 6,012 mn
Profit after tax
⬆️ 16%

INR 12,235 mn
BEV Revenue
⬆️ 38%

36%
Revenue share from BEV
⬆️ 24%

58
EV Programmes
⬆️ 7%

⬆️ y-o-y Growth

What's Inside

Corporate overview

Who we are

- 02 We are Sona Comstar
- 04 Celebrating 25 years of Purpose, Progress and Possibility
- 06 Milestones
- 08 Global network
- 10 Manufacturing highlights
- 12 Mobility solutions

Bigger Bets: Laying a New Growth Track

Year in review

- 20 Message from Chairman Emeritus
- 24 In Memoriam
- 30 From the desk of the MD & GCEO
- 36 CFO's Review
- 38 Key performance indicators

Bolder Moves: Making a Leap Into the Future

Leading the change

- 42 Business model
- 44 Evolving landscape
- 45 Our Strategy
- 46 Electrification
- 48 Increasing market share
- 50 Diversification
- 52 Group CTO Message
- 56 Technological prowess

Beyond Boundaries: Looking East with a Sharp Focus

ESG performance

- 62 Approach to ESG
- 64 Environmental stewardship
- 68 Social - People
- 72 Social - Communities
- 76 Governance

Statutory reports

- 86 Management Discussion and Analysis
- 94 Board's Report
- 113 Corporate Governance Report
- 192 Business Responsibility and Sustainability Report

Financial statements

- 240 Standalone
- 316 Consolidated

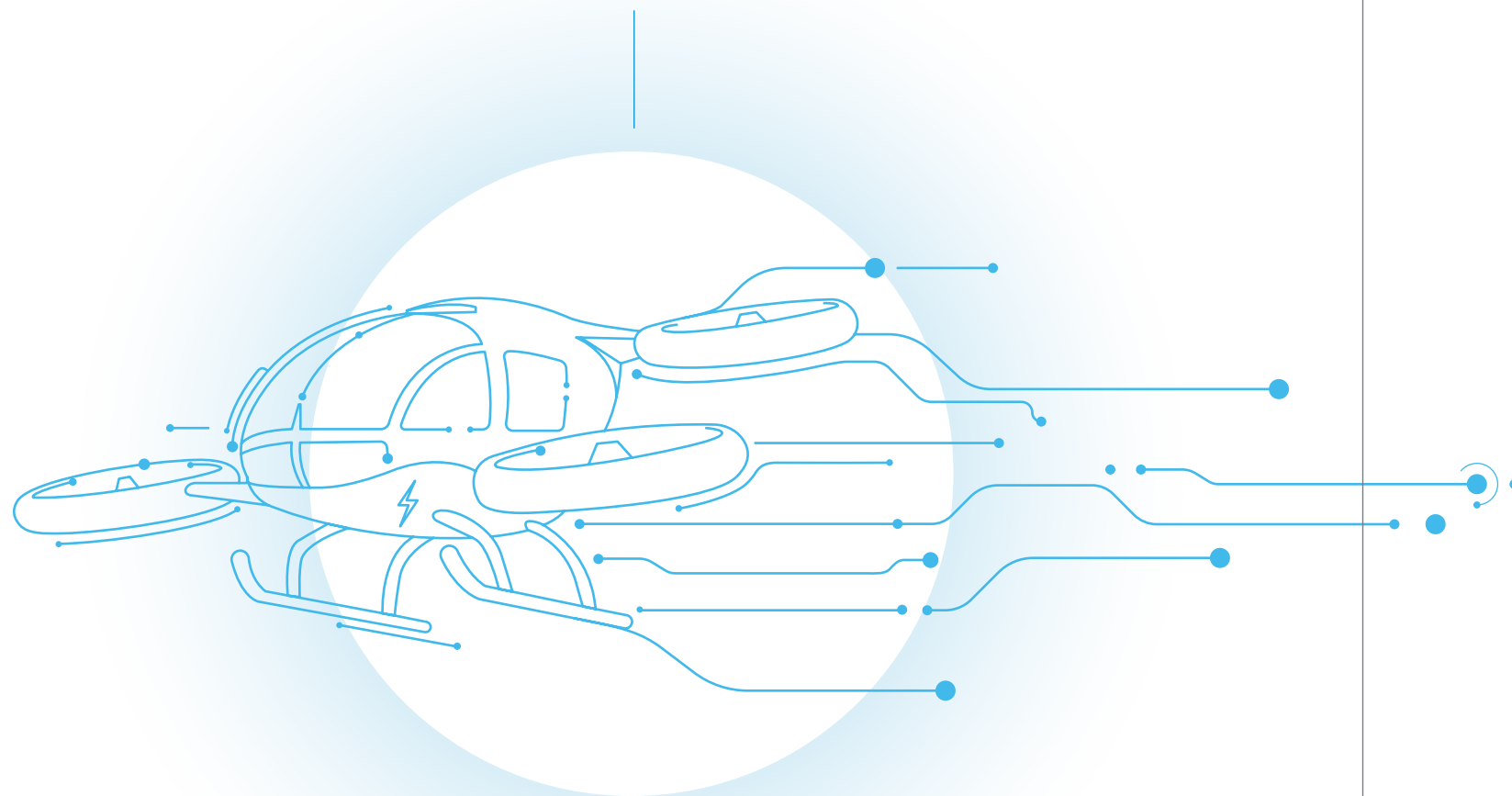
394 AGM Notice

WE ARE SONA COMSTAR

Redefining mobility through our intelligent, sustainable solutions

We started as a well-respected name in automotive components. Over the past decade, we have grown far beyond that foundation, driven by our conviction that we could shape the future of mobility, not just support it. With cutting-edge research and development and deep domain expertise, we have diversified from a manufacturing-focused business into a comprehensive mobility technology company.

Today, we design, develop, and manufacture high-precision, mission-critical systems and components for leading OEMs around the world. Our expanding portfolio now extends beyond drivelines and motors to include intelligent, software-led, and electrification-centric solutions. By embracing cutting-edge technologies, we are helping to redefine mobility through enhanced sustainability, safety, and innovative system-level approaches, especially in the fast-evolving electric vehicle (EV) space.



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 vision

To become one of the world's most respected and valuable mobility technology companies 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



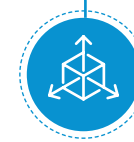
Vitality

Build better products



Frugality

Build better products—more economically



Agility

Build better and more economical products faster

12

Manufacturing facilities

5

R&D centres

3

Engineering capability centres

6,000+

Total Employees

Note: Above details are as on the date of approval of this report by the Board i.e. 23rd June 2025.

Celebrating 25 years of Sona Comstar



Imagine the past. Remember the future.

In FY 2024-25, we celebrated a defining milestone — 25 years since the start of our operations. A journey that began with a bold idea and a small team has grown into a global technology company transforming the future of mobility.

To mark this occasion, we hosted a heartfelt celebration themed 'Imagine the Past, Remember the Future', one of the quotes from our founder, Dr. Surinder Kapur. The event brought together employees, leadership, long-standing partners, and industry well-wishers to honour our shared legacy and re-energise our collective vision.

A tribute to our Founder

We paid a special tribute to Dr. Surinder Kapur, our visionary founder, whose pioneering spirit continues to guide our every step. A memoir chronicling his life, values, and contributions was unveiled; a deeply personal moment that reminded us how one individual's clarity of purpose can spark a movement of innovation, integrity, and ambition.

His legacy is etched not just in the milestones we have achieved but also in our mindset - that of nurturing, questioning limits, daring to lead, and building with conviction.



A celebration rooted in Indian tradition

Staying true to our cultural ethos, the celebration embraced the warmth and symbolism of Indian traditions, from ceremonial lamp-lighting to musical tributes and community reflections. For us, it was more than a corporate gathering; it was a moment of gratitude, pride, and reaffirmation of who we are and why we exist.

The journey and the road ahead

A specially curated 25th anniversary video traced our evolution from a driveline component manufacturer to a global electrification and mobility technology partner. It highlighted key milestones, product breakthroughs, and the people who made it all possible.

The 25-year milestone wasn't just a moment of reflection. It was a launchpad for what comes next: a future defined by electrified, intelligent, and connected mobility, shaped by bold thinkers and driven by those who dare to imagine a different tomorrow.

Tracing 25 years of transformation



GLOBAL NETWORK

Global reach. Local roots.

What began as an Indian enterprise has evolved into a global supplier of mobility solutions - a transformation shaped by our relentless focus on innovation, precision engineering, and the ability to stay ahead of industry shifts. Today, we are defined not just by our origins but also by the scale and sophistication of our global presence.

Our vision is grounded in a simple belief: engineering excellence knows no borders. With deep roots in India and a fast-expanding international footprint, we are shaping the future of connected, sustainable, high-performance mobility.

12

Manufacturing Plants

3

Engineering Capability Centre

8

Warehouses

5

R&D centres

1

Tool and Die Shop

Note: Above details are as on 23rd June 2025.

1 India

Gurugram 3 Manufacturing plants 1 R&D centre 1 Tool & Die Shop 43.1 mn Gears	Pune 1 Manufacturing plant 1 Warehouse 21.0 mn Gears	Chennai 1 Manufacturing plant 1 R&D center 3.8 mn Starter motors 0.9 mn Traction motors	Manesar 2 Manufacturing plants 2.8 mn Differential assemblies	Faridabad 1 Manufacturing plant 1 R&D center	Hosur 1 Warehouse Sanand 1 Warehouse	Rudrapur 1 Warehouse Mehsana 1 Warehouse
---	--	--	--	---	---	---

2 USA

Tecumseh, MI 1 Manufacturing plant 1 mn Starter motors	Ypsilanti, MI 1 Warehouse
---	---

3 Mexico

Irapuato 1 Manufacturing plant 1 mn Starter motors	Silao 1 Manufacturing plant
---	---

4 Belgium

Genk 1 Warehouse

7 China

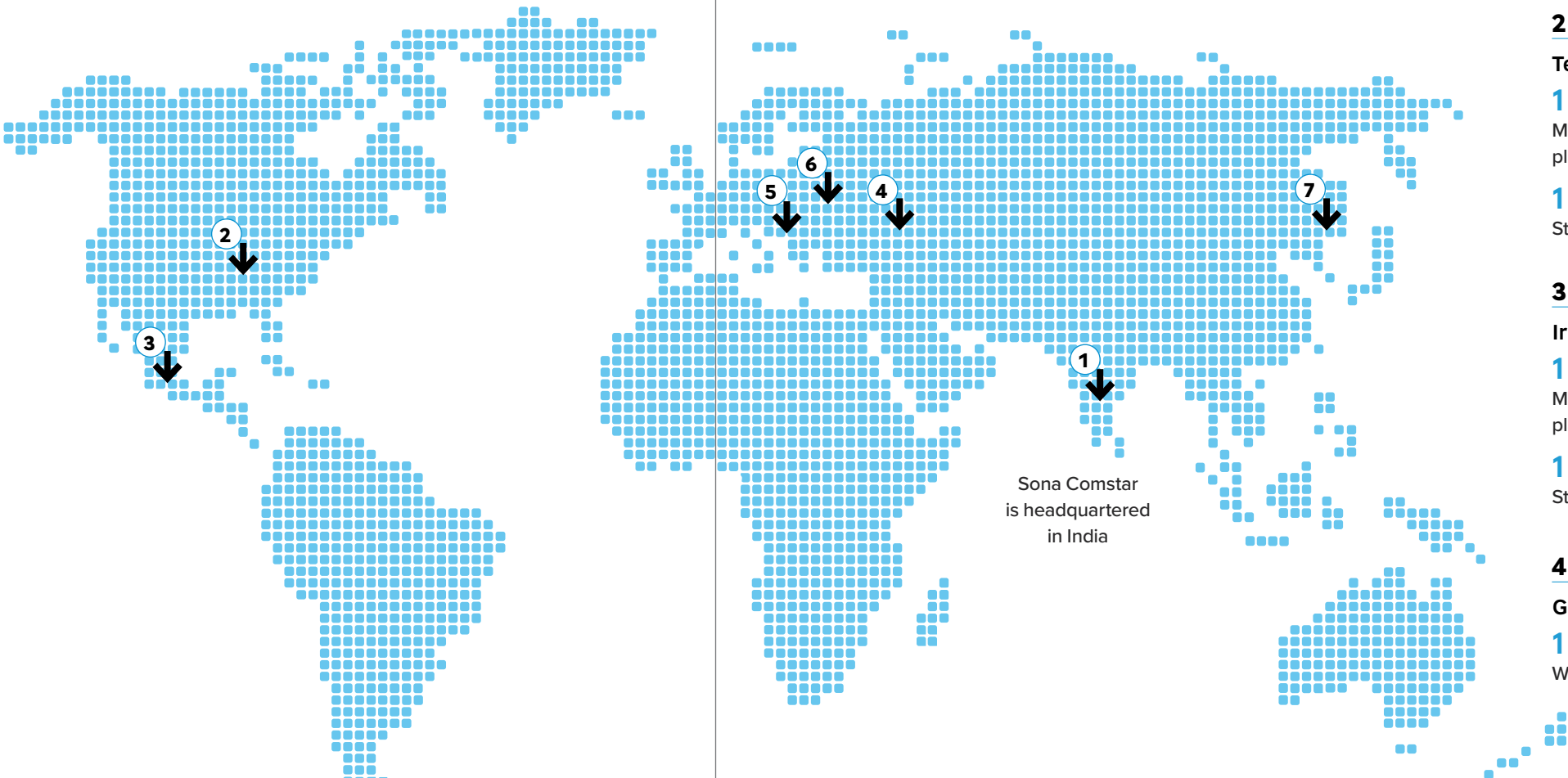
Hangzhou 1 Manufacturing plant 0.06 mn Suspension motors

5 Germany

Cologne 1 Warehouse	Ypsilanti, MI 1 Warehouse
---	---

6 Serbia

Belgrade 1 Engineering Capability Centre	Novi Sad 1 Engineering Capability Centre
--	--



MANUFACTURING HIGHLIGHTS

Where innovation meets execution

Our manufacturing capabilities lie at the heart of Sona Comstar’s transformation into a global mobility solutions provider. With a network of strategically located facilities and a focus on high-performance, mission-critical components, we continue to build a resilient, agile, and future-ready manufacturing ecosystem.

Global manufacturing footprint

With 12 manufacturing and assembly facilities in India, China, Mexico, and the USA, we have established a global footprint tightly aligned with our customers' needs.

India is the nerve centre of our manufacturing operations, which produce our core motor and driveline products. These plants are equipped for high-volume production of complex systems, leveraging our deep expertise in precision engineering.

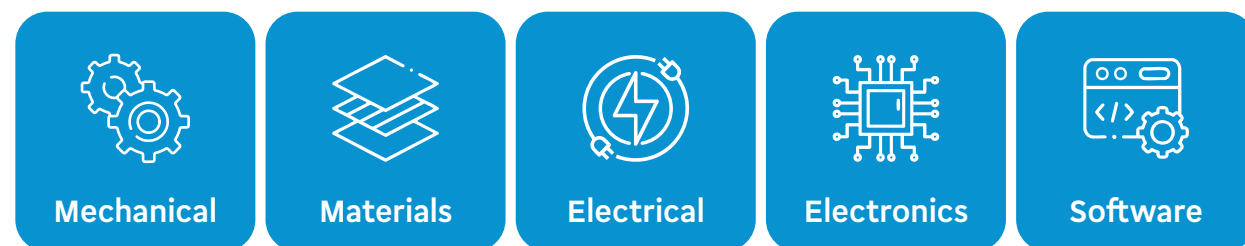
China, Mexico, and the USA are key final assembly and localisation nodes, helping us serve global OEMs with faster turnaround times and proximity-based support.

Complementing our manufacturing base are 5 R&D centers, co-located with or near key production sites. These centres accelerate new product development and enhance process innovation.

Our sensors and software business is backed by three engineering capability centres in Serbia, reinforcing our global innovation ecosystem.

Advanced capabilities and technology

Our core strength lies in engineering precision, underpinned by decades of expertise in:



We continuously invest in advanced automation, robotics, and real-time quality monitoring systems across our plants. These investments ensure consistency, scalability, and the ability to manufacture high-tolerance, performance-critical parts across diverse applications, from EV drivetrains to smart actuators.



Quality that drives trust and sustainability

We uphold a rigorous quality management system backed by global certifications such as IATF 16949, ISO 9001, ISO 14001, ISO 27001, ISO 45001, and ISO 50001, ensuring consistent performance, safety, and compliance across our manufacturing operations. Our processes are engineered to deliver precision from raw material selection to in-process quality checks, automated testing, and final product validation. These systems have earned us the trust of global OEMs and Tier-1 suppliers, reinforcing our position as a reliable manufacturing partner for mission-critical components.

Sustainability is embedded in our manufacturing strategy. Facilities like our Chakan plant, certified under the IGBC Gold rating, are designed for resource efficiency and environmental responsibility. We continue to expand our use of renewable energy, implement water conservation systems, and invest in sustainable infrastructure across our global footprint. These efforts align with our ESG goals and vision of enabling clean, energy-efficient mobility at scale.

Certified manufacturing excellence

IATF 16949

ISO 9001

ISO 14001

ISO 27001

ISO 45001

ISO 50001

Operational agility across geographies

Our manufacturing model is designed to respond quickly to market changes, including the growing demand for electric vehicles (EVs), shifting customer preferences, and complexities in the supply chain. We have strategically located facilities in India, China, Mexico, and the USA, which are technologically equipped to support multi-platform production with minimal downtime. This flexibility enables us to scale our output, adjust product mixes, and maintain operations even during external disruptions.

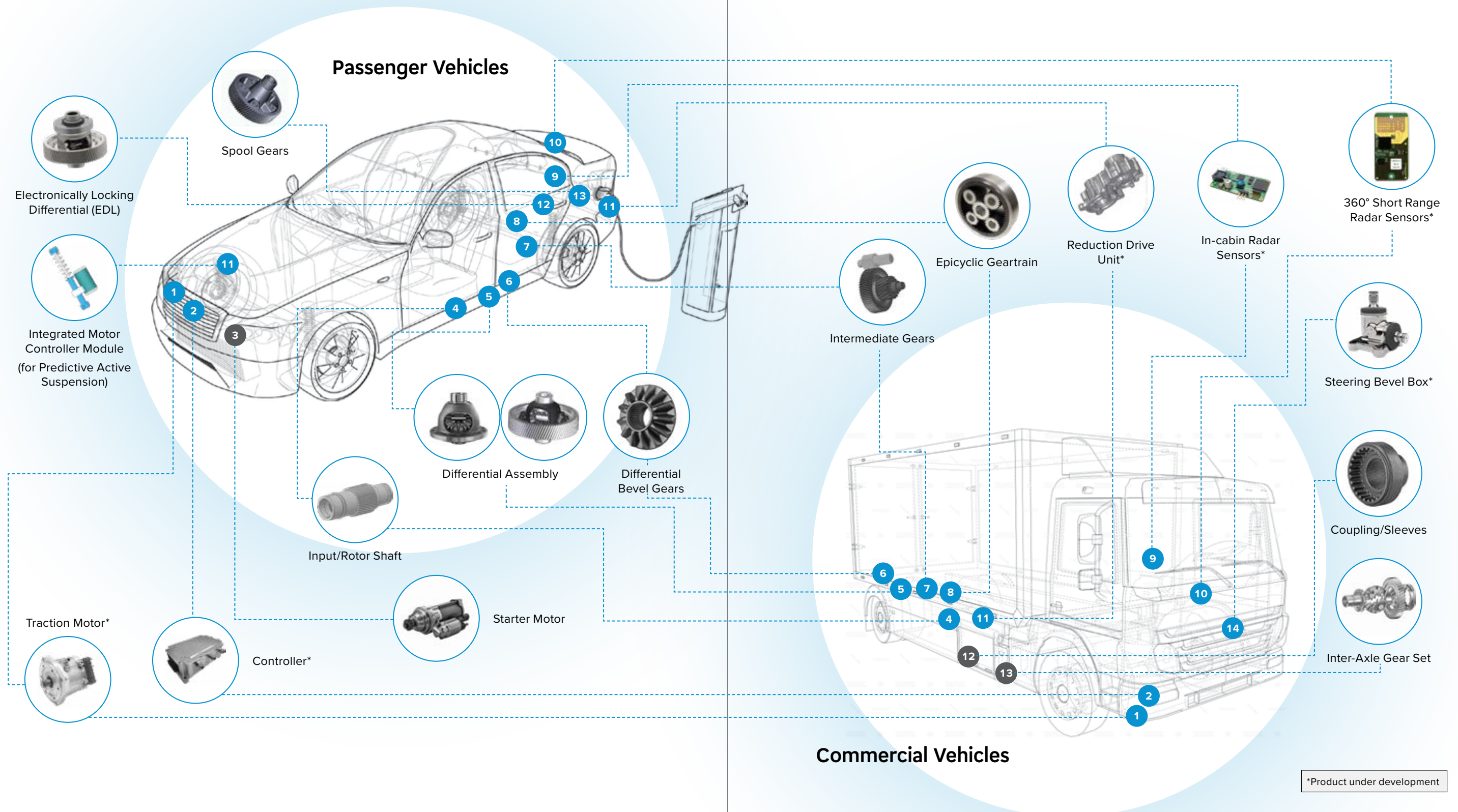
We continuously invest in lean manufacturing, automation, and integrated supply chain systems to enhance efficiency and reduce operational waste. Real-time visibility and strong collaboration with suppliers improve our ability to deliver products reliably and quickly, supporting a diverse range of vehicle programmes across different continents.

Integrating technology into manufacturing

We are advancing our manufacturing capabilities by adopting automation, robotics, and digital systems to improve precision and efficiency. These technologies enable us to produce high-performance components, such as high-speed motors and advanced driveline assemblies, to exacting standards.

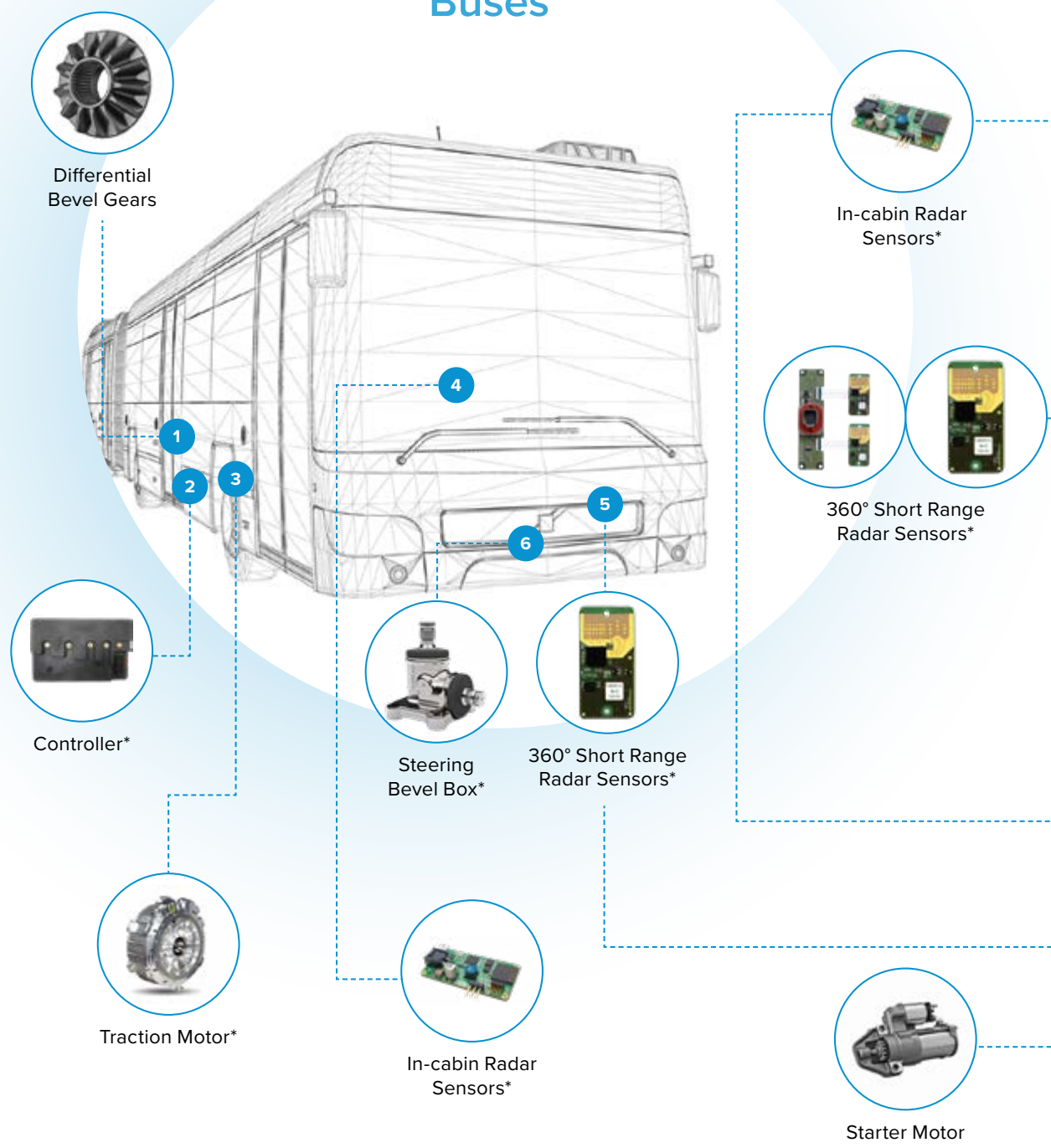
As our product lines evolve to include sensors, electronics, and embedded software, we are updating our manufacturing processes to ensure seamless integration. Our digital traceability systems allow for comprehensive monitoring and quality control throughout the entire production process. Additionally, our collaboration between R&D and production teams accelerates the industrialisation of new products. This integrated approach enhances our capacity to deliver next-generation mobility solutions with speed, scalability, and reliability.

MOBILITY SOLUTIONS

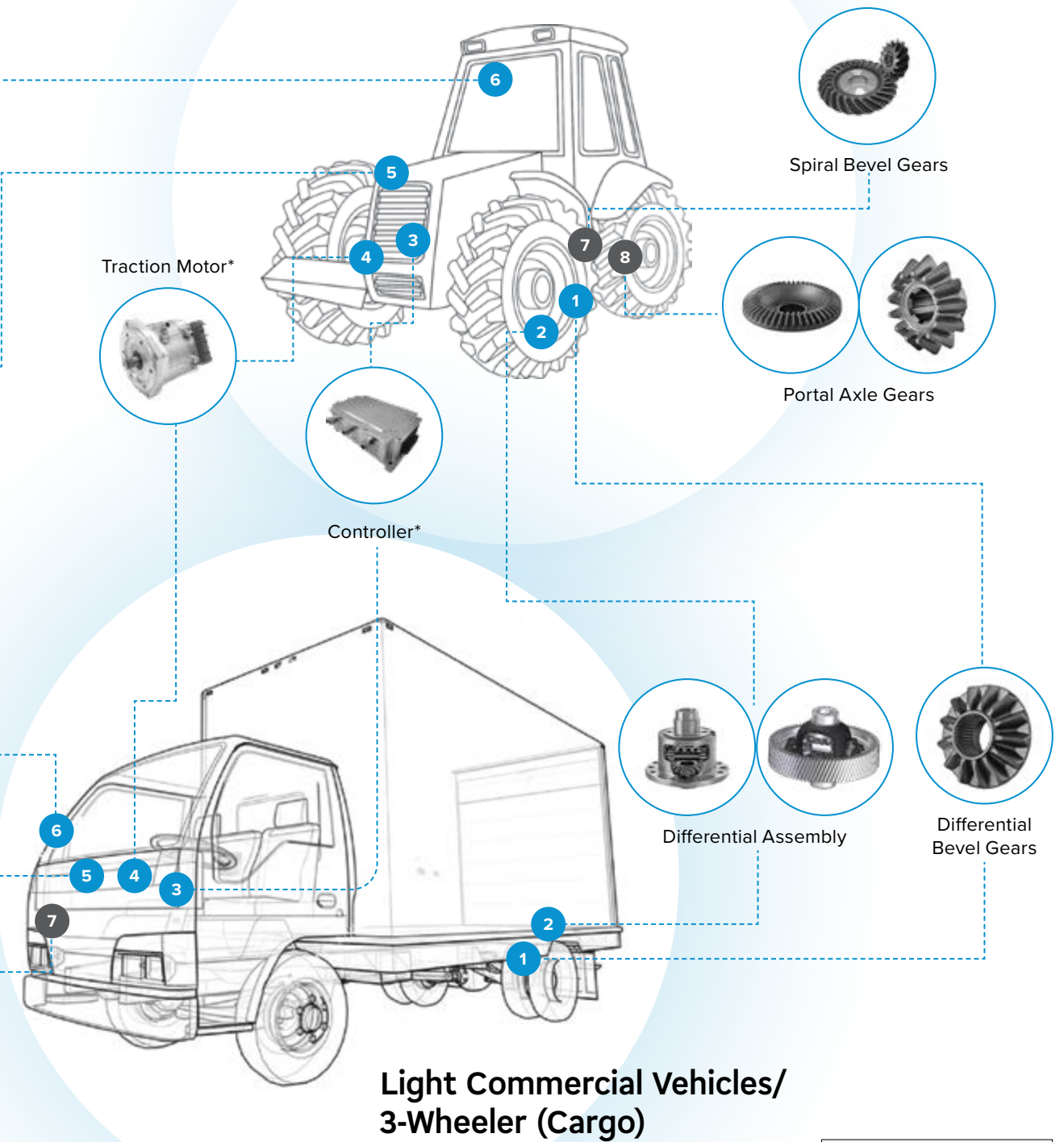
Engineering the
future of mobility

MOBILITY SOLUTIONS

Buses



Off Highway Vehicles

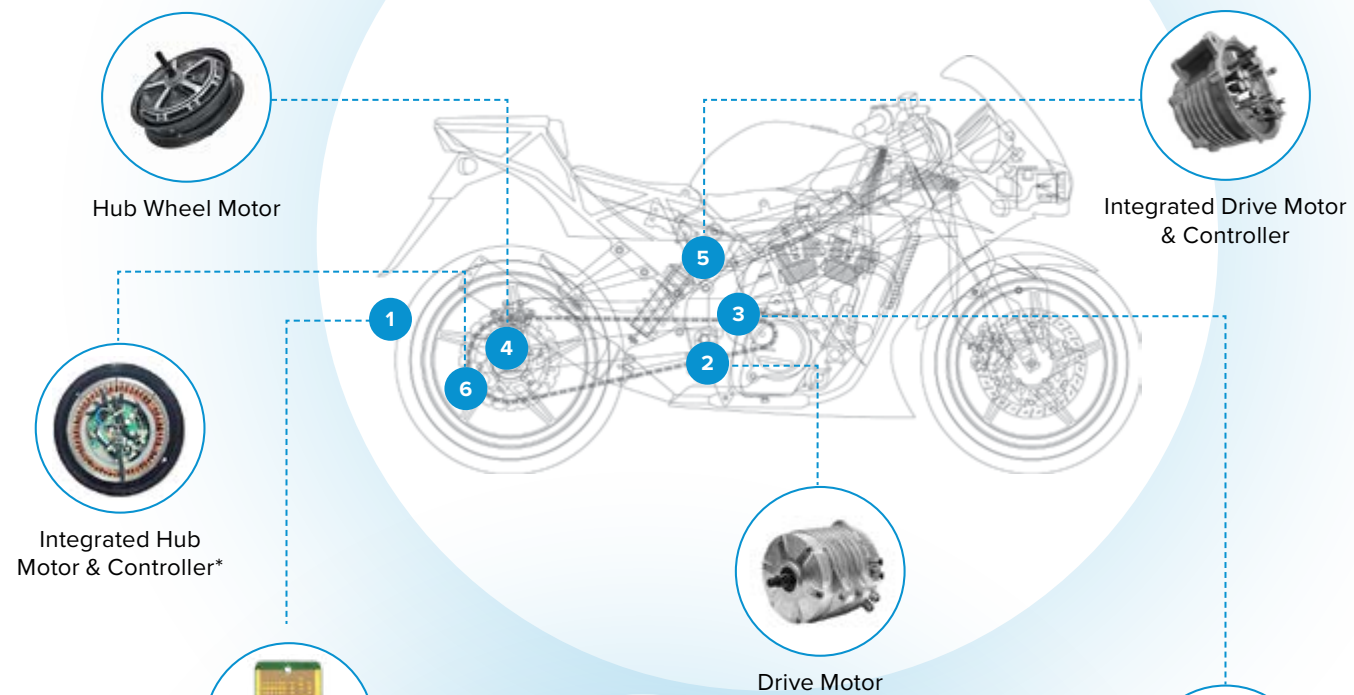


Light Commercial Vehicles/
3-Wheeler (Cargo)

*Product under development

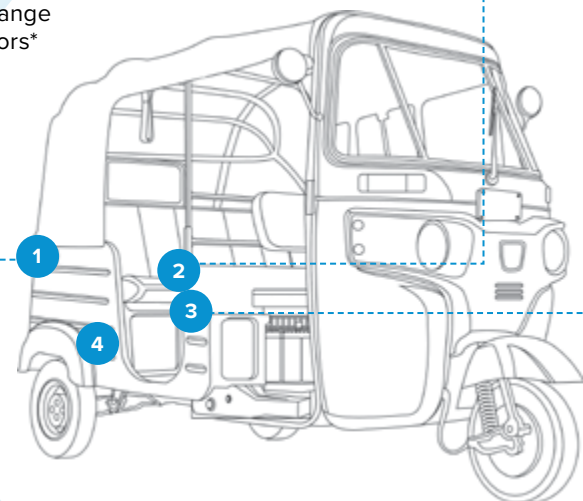
MOBILITY SOLUTIONS

Electric 2-Wheelers

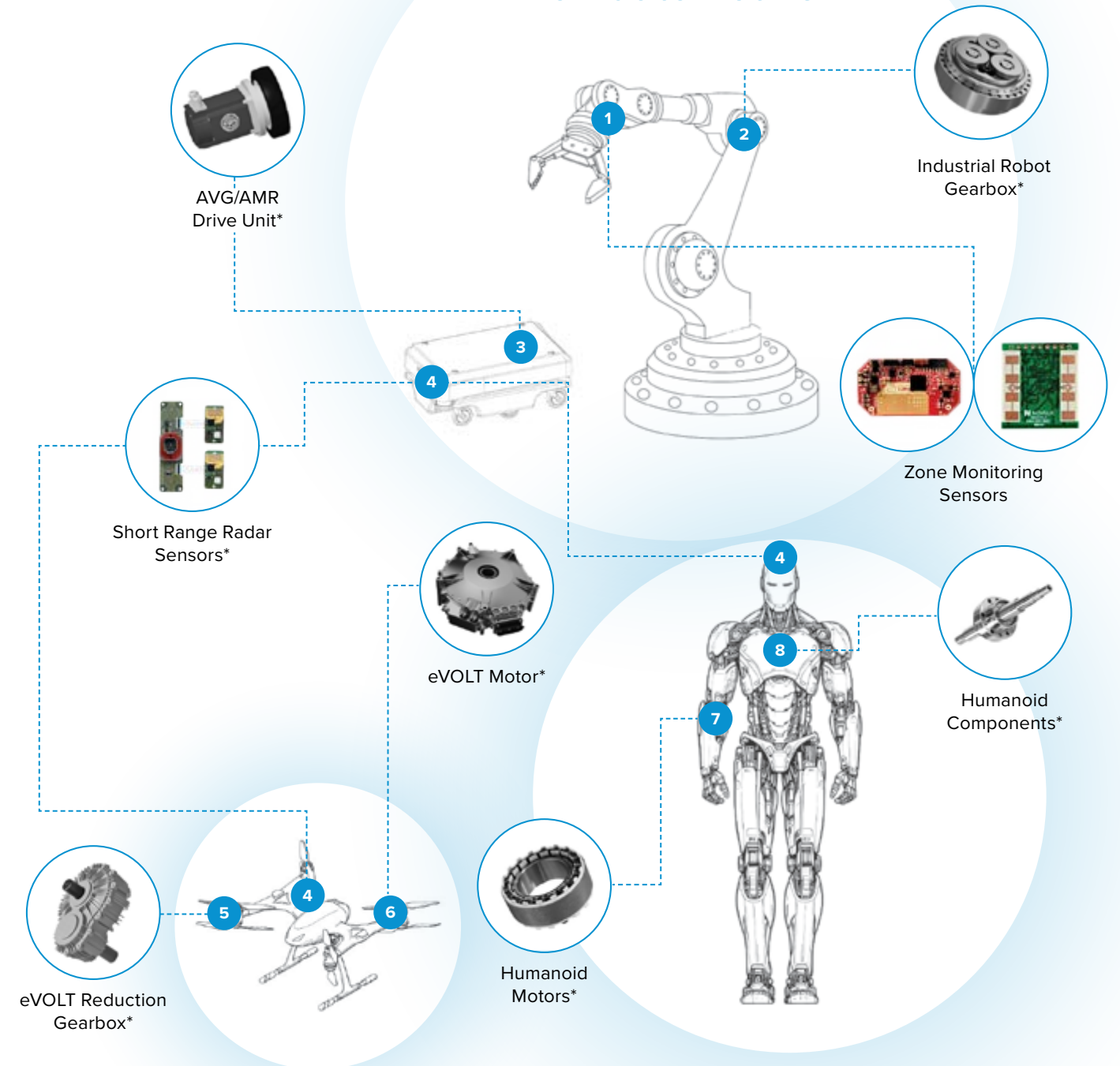


Electric 3-Wheelers

360° Short Range Radar Sensors*



Non-automotive

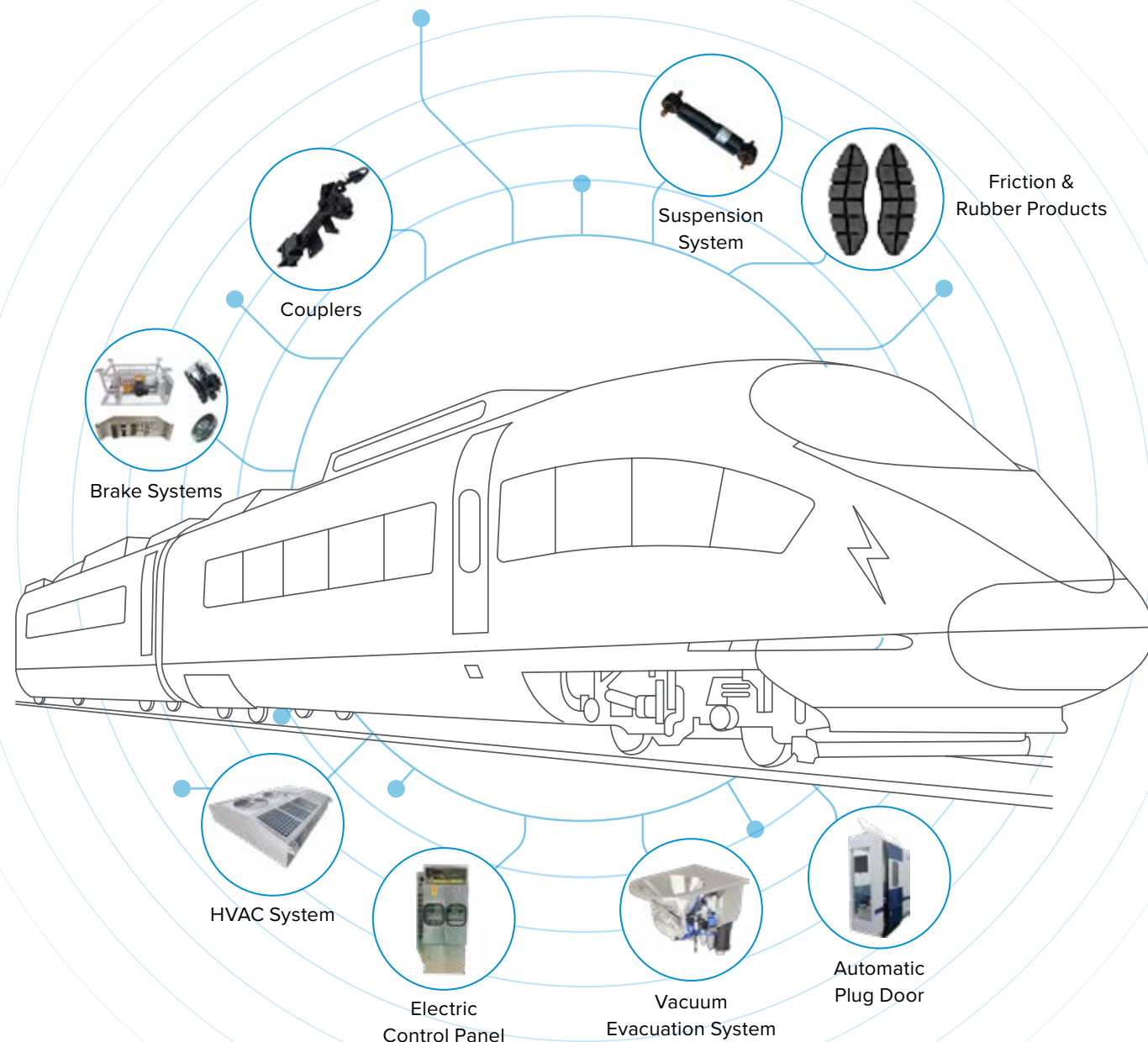


*Product under development

BIGGER BETS

Laying a new growth track

In a time of rapid transformation in the mobility sector, we are not just keeping up - we are laying new tracks to drive the next phase of growth. Aligned with our vision to evolve into a holistic mobility technology company, we have acquired the Railway Equipment Division from Escorts Kubota, enabling our entry into the fast-growing railway components market.



WHY RAILWAY COMPONENTS?

- Indian railways is one of the largest and fastest growing rail networks in the world
- 24 million passengers carried daily
- 1,600 million tons of freight carried in FY 2024-25
- Railway capex has increased at a 10-year CAGR of 17%
- Railway is one of the cleanest forms of mobility
- Checks all the filters for our targeted growth opportunities



The Railway Business, with over six decades of its presence in India, has established itself as a major player in the railway equipment market. Its product offerings include Brakes, Couplers, Dampers, Vulcanised Rubber Parts, Friction Products (Brake Pads, Brake Blocks & Brake Discs), Electrical Panels, RMPU's, Vacuum Toilets, Automatic Doors, etc. It has formed a long-term partnership with Indian Railways and is the market leader in its product segments. Additionally, it is the only domestic player of scale in India to have received Silver-grade International Railway Industry Standard (IRIS) certification.

With the Indian government expected to continue its push for the modernisation and electrification of the railway network, we are at an inflection point of a decadal opportunity. We plan to capitalise on this by enhancing R&D capabilities and integrating advanced technologies into Railway Business, established product portfolio and market presence.

INR 9,128mn

Railway Business Revenue in FY25
(During Escorts Kubota's ownership)

ADDING TO OUR PORTFOLIO THROUGH RAILWAY BUSINESS...

- Brake systems – market leader
 - Axle mounted disc brake
 - Wheel mounted disc brake
 - Electro pneumatic brake
 - Microprocessor controller brake
 - Bogie mounted brake
- Couplers
- Suspension systems
- Friction and rubber products

...ALONG WITH A STRONG PRODUCT PIPELINE

- HVAC systems
- Electrical control panels
- Vacuum evacuation systems
- Automatic plug doors

The railway component business also aligns with our goal of promoting clean and green, eco-friendly mobility solutions. By positioning railways playing a key role as the most environmentally friendly mode of motorised transport, we support India's Net Zero commitment to the world.

MESSAGE FROM CHAIRMAN EMERITUS

Bigger Bets. Bolder Moves. Beyond Boundaries.



Late Sunjay Kapur
Chairman Emeritus

Dear Shareholders,

As we celebrate the 25th year of Sona Comstar, I look back with pride at the journey that has brought us here, a journey defined by transformation, resilience, and belief in innovation.

What started as a forging company in India is now a global mobility technology leader – one that builds for the future while staying deeply rooted in its founding principles.

This milestone is both a reflection of our progress and a starting point for what comes next. While our roots remain deeply embedded in India, our presence today spans continents, reflecting a business that is both grounded and global. Our mission is as clear today as it was on day one: to be leaders in the technology we invest in, delivering a competitive edge to our customers, while designing and building products that enable the future of mobility.

A year of strategic expansion

FY 2024–25 was a defining year in our evolution. We took bold steps beyond our traditional domain, ventured into new frontiers of mobility and deepened our R&D capabilities, all while reaffirming our commitment to innovation-led growth.

One of our key moves was the acquisition of the Railway Equipment Division from Escorts Kubota. This strategic step demonstrated our ability to advance in connecting avenues of public transportation with new technology, reinforcing our commitment to enabling faster, smarter, and more sustainable mobility solutions.

We are also developing powertrains for eVTOLs (electric vertical take-off and landing aircraft) and drones. eVTOLs are set to revolutionise urban transportation by reducing congestion and enabling quicker, cleaner commutes across densely populated areas. Drones, on the other hand, are enhancing logistics by enabling rapid delivery of goods, especially in remote locations. Both of them will support building sustainable, scalable mobility systems that reduce environmental impact and increase access.

Finally, our most significant achievement this year is the initiation of developing components for humanoid robots that can perform complex, repetitive tasks on assembly lines with high precision and consistency. Once developed, these robots can enable flexible manufacturing by adapting to new models or production changes, operate 24/7, and significantly raise productivity while lowering downtime.

These developments signal our direction and reflect our resolve to build a broader, more diversified portfolio of advanced mobility solutions.

Staying resilient amid global trade shifts

This progress unfolded amid significant trade disruptions and evolving geopolitical dynamics. The global trade environment continues to undergo transformation, increasingly defined by protectionist policies and tariff-related uncertainties. Rather than just enduring these shifts, we are leveraging them as opportunities to strengthen our position.

We are well-placed to benefit from the shifts in the new trade policies, and we firmly believe that today's disruptions will eventually lead to consolidation around companies with strong technological moats. Indian companies like ours, delivering world-class product performance and quality while maintaining robust margins and healthy cash reserves, are well-positioned to emerge from this period of change even stronger than before.

Building with India

India is experiencing a manufacturing resurgence. With increasing digitalisation, significant infrastructure investments, and clear policy direction, the country is positioning itself as a trusted global hub for clean, scalable production. At Sona Comstar, we take immense pride in being part of this transformative journey. Our systems-led approach and expanding R&D capabilities enable us to contribute meaningfully to this momentum. With five R&D centres and over 500 engineers dedicated to research and development, we are driving innovation from India to the world. As global supply chains continue to diversify, our strong alignment with India's industrial growth becomes increasingly evident.

The World Bank forecasts India's economy to grow by 6.3% in FY 2025–26, solidifying its position as the fastest-growing major global economy. Sona Comstar is poised to play a significant role in India's extraordinary economic growth story.

MESSAGE FROM CHAIRMAN EMERITUS



Innovation anchored in purpose

Our commitment to innovation remains steadfast, serving as the cornerstone of our growth. Over the past four years, we have successfully commercialised eleven new products, including three in FY 2024-25, bringing our total to 22. We have revised our product and technology roadmap to reflect an expanding focus beyond the automotive sector, to the broader mobility market, including railways, drones, eVTOL aircraft, AGVs, AMRs, industrial robots, and humanoid robots. These initiatives are unlocking exciting new opportunities for both capability and value creation. We are making bold, forward-thinking strategic investments grounded firmly in our purpose, and we are enthusiastic about the growth prospects that lie ahead.



Re-certified as Great Place to Work in 2025

Sustainable growth rooted in values

At Sona Comstar, we are deeply committed to responsible growth, recognising the urgent need to address climate change and minimise our environmental impact. As a technology-driven company, we concentrate our efforts on areas where we can truly make a difference: reducing greenhouse gas emissions, protecting the environment, and promoting innovation for sustainable development. We take pride in our achievements thus far and remain committed to advancing our sustainability efforts in the years ahead.

Over the past two years, we have improved our emissions intensity by 10% and water intensity by 15%. Beyond our rooftop solar projects, we are also developing captive solar power facilities in Maharashtra and Haryana. We have been re-certified as a 'Great Place to Work', with an improved rating that recognises us as one of the leading employers in the large enterprise category. Furthermore, our robust Corporate Social Responsibility (CSR) framework prioritises education, livelihood, innovation, and environmental sustainability to uplift the communities we serve.

I am profoundly grateful to the entire Sona Comstar team. Their hard work, innovative thinking, and commitment to excellence have been central to our progress. Their resilience and dedication in navigating a volatile global environment are among our greatest strengths. We believe in creating shared values and building opportunities for our colleagues to participate in ownership. We believe when success is shared, commitment deepens.

Looking ahead

Mobility is a fundamental human need – essential to our freedom, autonomy, and quality of life. In today's interconnected world, the demand for efficient movement of people and goods continues to rise, driven by urbanisation, globalisation, and technological advancements. However, the mobility landscape is shifting from traditional vehicle ownership to shared, autonomous, and multimodal solutions. As these services expand, the conventional automotive sector may face shrinking market share, prompting a rethinking of business models across the industry.

Rail transport stands out as one of the most sustainable and cost-effective methods for moving people and goods. According to the IEA, rail consumes twelve times less energy and emits seven to eleven times fewer greenhouse gases per passenger-kilometre than private vehicles and airplanes. This efficiency underscores the crucial role of railways in achieving sustainable transportation goals.

Emerging technologies such as drones, eVTOL aircraft, and humanoid robots are creating exciting new possibilities in mobility. The advanced air mobility sector, which focuses on eVTOL aircraft for urban settings, is rapidly gaining traction, offering air taxis and cargo transportation services. These innovations promise substantial growth opportunities, transforming logistics, urban planning, and the wider mobility ecosystem. At Sona Comstar, we

" I am profoundly grateful to the entire Sona Comstar team. Their hard work, innovative thinking, and commitment to excellence have been central to our progress. Their resilience and dedication in navigating a volatile global environment are among our greatest strengths."

fully embrace these transformative trends and are committed to innovating and adapting our strategies to thrive in this dynamic landscape.

The next 25 years will call for courage, clarity, and conviction. We will lead with a steadfast customer focus, intelligent risk-taking, and a relentless drive to innovate. As we chart new frontiers, our direction remains clear. We will continue to create enduring value for our customers, our people, and you, our shareholders.

Thank you for your continued trust. Together, we will go further. We will go beyond boundaries. We will always stay in motion.

With best regards,

Late Sunjay Kapur
Chairman Emeritus

IN MEMORIAM

Sunjay Kapur Chairman Emeritus

**Visionary Leader | Industry Statesman | Champion of Innovation
Compassionate Philanthropist**

It is with profound sorrow that the entire Sona Comstar family mourns the sudden passing of Mr. Sunjay Kapur, our Non-Executive Chairman, in June 2025. His loss leaves a deep void in the hearts of all who had the privilege of knowing and working with him. His visionary leadership, unwavering commitment and exemplary guidance have left an indelible mark on the Board and Company. In recognition of his unparalleled contributions and enduring impact, the Board of Directors unanimously designated the Late Mr. Sunjay Kapur as Chairman Emeritus of the Company.



Mr. Kapur served as the Chairman of Sona Comstar, one of the global leaders in mobility technology, and was a transformative figure in India's automotive landscape. His leadership was marked by strategic foresight, global expansion, and an unwavering commitment to innovation and sustainability.

He joined Sona BLW Precision Forgings Limited as Director in 2006. In 2015, Mr. Kapur assumed the role of Managing Director following the passing of his father and the Company's founder, Dr. Surinder Kapur. At a time when the Company was navigating significant financial challenges, he led its turnaround by stabilising finances, expanding export business, and transforming its product portfolio from conventional differential gears to integrated electric vehicle driveline solutions. His strategic partnership with Blackstone enabled the acquisition of Comstar's motor capabilities, laying the foundation for electrification and giving rise to the Company's new identity – Sona Comstar. Mr. Kapur was instrumental in pivoting the Company toward electric vehicle components, positioning Sona Comstar as a forward-looking player in the global auto components industry.

As Chairman of Sona Comstar from 2019 onwards, Mr. Kapur continued to guide the Company's strategic direction. Under his chairmanship, Sona Comstar expanded its global footprint across India, the USA, Mexico, China, and Serbia, successfully listed on BSE Ltd. and the National Stock Exchange of India Ltd., and entered future mobility domains such as sensors and software through the acquisition of a majority stake in Novelic. He also supported the Company's diversification into sustainable mobility beyond automotive with the acquisition of the railway business from Escorts Kubota Limited. His emphasis on purposeful growth, sustainability, technological excellence, and exemplary governance helped the Company navigate its journey towards its vision of becoming one of the world's most respected and valuable mobility technology companies for its customers, employees, and shareholders.

Mr. Kapur believed deeply in the power of business to uplift communities. Under his chairmanship, Sona Comstar actively contributed to society through a wide range of CSR programmes focused on environmental stewardship, inclusive education, healthcare access, gender equality, and skill development.

Beyond corporate leadership, Mr. Kapur was a respected voice in shaping India's manufacturing and automotive policies. He held numerous influential positions, including President of the Automotive Component Manufacturers Association of India (ACMA), Chairman of CII Northern Region, Co-Chair of CII National Council of Manufacturing, Chair of CII Europe Committee, and Member of CII Trade Policy Council, CII-VLFM Governing Board, and several other strategic bodies.

His contributions extended to education and entrepreneurship. He served on the Board of Governors of The Doon School and the Advisory Council of the Munjal Institute for Global Manufacturing. As Global Chairman of Entrepreneurs' Organisation (2007–08), he was the first Indian to hold this prestigious position.

A sports enthusiast and accomplished polo player, Mr. Kapur founded and captained the Aureus Polo team, which won championships across India, the USA, and the UK. His love for sports and mentorship reflected his belief in holistic leadership and personal excellence.

Mr. Kapur's legacy is one of bold vision, deep relationships, and enduring impact. As Chairman Emeritus, his spirit will continue to inspire the Sona Comstar family and the broader industry he helped shape.

While we grieve his untimely loss, we will honour his memory by continuing to build on the foundation he laid, with the same purpose and passion that defined his life.

IN MEMORIAM

Messages from Board of Directors

On June 12, 2025, we were deeply saddened by the sudden passing of our former Chairman, Sunjay J. Kapur. His loss is felt profoundly across our organisation and beyond.

Sunjay was more than a leader. He was a humble visionary whose guidance helped shape the foundation of our Company's values and long-term direction. His commitment to excellence, combined with a genuine care for people, created a culture of trust and purpose that continues to inspire us.

Beyond the boardroom, Sunjay brought warmth and laughter wherever he went. His fun-loving sense of humour, generous spirit, and open-door hospitality made colleagues feel like family and strangers feel instantly welcome. He had a rare ability to connect with people, making lasting impressions through kindness, wit and authenticity.

We are grateful for the legacy Sunjay leaves behind—one of integrity, innovation, passion and heart. His presence will be greatly missed, but his influence will endure in the work we do and the values we uphold.

On behalf of the Board of Directors and the entire Sona Comstar team, we extend our heartfelt condolences to Sunjay's family and loved ones. We honour his memory and celebrate a life well lived."

► **Jeffrey Mark Overly**
Chairperson and Independent Director

Sunjay In 2015, you put your faith in an untested 35 year old to stand beside you to rebuild the business, and then in 2019, your went a step further and let me take the wheel of this magnificent ship. Your belief in me, has made me believe more in myself.

Today you have left me to walk alone, but I promise I and our 6,000 dedicated engineers and managers and operators, will continue our mission of building Sona Comstar into an Indian engineering company the world can be proud of."

► **Vivek Vikram Singh**
Managing Director and Group CEO

Mr. Sunjay Kapur was a remarkable individual, brimming with life and boundless energy. His vision and leadership have been pivotal in transforming Sona Comstar into a truly global company, and I am incredibly proud to be part of this amazing journey. Sunjay was always available for everyone, whether it was a customer, supplier, friend, colleague, employee, or family member. His dedication and approachability were truly inspiring."

I personally admired Sunjay's commitment to fitness, his impeccable time management skills, and his ability to tackle problems head-on. He consistently demonstrated to us how to elevate a good organisation to greatness, even in the face of adversity. His influence and guidance have shown us the path to success, and his legacy will continue to inspire us all."

► **Vikram Verma Vadapalli**
Whole Time Director and CEO of Driveline Business

Sunjay was a true visionary and an exemplary leader. He had this insatiable desire to constantly understand the impact of technology not just on the mobility space but on the industry at large. A philanthropist at heart, he not only wanted to give back to the industry but to society and the Nation. A believer in the power of the nation's youth, he would spend hours engaging with them and learning from them. A friend, a guide, and most importantly a super human being. He will be deeply missed."

► **Shradha Suri**
Independent Director

Sunjay led the Board very inclusively, ensured every Board member's views were heard and respected and ensured relevant suggestions were followed up and incorporated. He was passionate about technology, innovation and wanted to ensure Sona dominated the industry by always being ahead of peers in the adoption of cutting-edge technology. He empowered his management, and his leadership style was exemplary. We will miss you, Sunjay."

► **Manisha Girotra**
Independent Director

From early days, Sunjay Kapur had a deep curiosity, always eager to learn and discover something new. His endless enthusiasm to adopt the latest technologies and maintain exceptional quality made our Company stronger every day. But what set Sunjay apart was his genuine faith in people - he believed deeply in his team, trusted them completely, and nurtured their talent patiently, shaping them into confident leaders and successful CEOs. A humble leader, Sunjay gave space to his team, yet was always available as a friend, mentor, and family member, eager to help whenever needed. As shareholders, let us honour his legacy by embracing his values of trust, innovation, and kindness, ensuring the Company he cherished continues to thrive and grow."

► **Vineet Mittal**
Independent Director

In the short period of time that I knew Sunjay, I became his admirer. In all our interactions, Sunjay came across not just as a visionary leader, but as someone who was clear about how he was going to achieve his vision of making Sona an undisputed leader in mobility technology. Not afraid of failures, Sunjay was a quick learner and saw opportunities in every setback. His commitment to excellence through innovation and transformation was unwavering. Sunjay strongly believed in purposeful business growth through sustainability. He was loved by everyone around him, as he had a charming personality, a great human face and an emotional touch with people. He will be remembered for his compassionate philanthropy. He spent considerable amount of time, effort and money serving communities, particularly the poor and needy and always supported budding entrepreneurs by investing in their start-ups aimed at transforming the nation. As a strong leader, he has groomed Vivek (MD) as his worthy successor who is ready to carry Sunjay's baton in leading Sona Comstar with pride. I am sure Sunjay's vision and spirit will continue to inspire Sona Comstar family to achieve the goal of making the Sona Comstar one of the most respected and valuable global mobility technology companies."

► **Pradip Manilal Kanakia**
Independent Director

Sunjay was incredibly larger than life. He had an amazing ability to draw people in and form deep connections. Having witnessed his desire and ability to transform himself across so many levels, Sunjay will always be a standout persona in our generation!"

► **Karamendra Daulet Singh**
Independent Director



IN MEMORIAM



FROM THE DESK OF THE MD & GCEO

Shaping Mobility. Strengthening Legacy.



▶ **Vivek Vikram Singh**
Managing Director &
Group CEO

Dear Shareholders,

"We suffer more in imagination than in reality."

Seneca's words ring loud and true as I look back upon the past year, when despite the reality of subdued demand and the clamour of an EV slowdown, our net profit grew by 16% year-on-year, and our revenue from Battery Electric Vehicles (BEVs) rose by 38%. We also made our largest acquisition to date: the railway business of Escorts Kubota Limited. This move aligns with our long-term vision of clean mobility and supports our strategy of diversifying across products, customers, and geographies.

We continue to develop new products, not only within the automotive sector but also in the emerging mobility categories such as humanoid robots, eVTOLs, and drones. With a strong order book and INR 26.7 billion in net cash at year-end, we remain optimistic and prepared to capture opportunities in a rapidly shifting global landscape.

Resilience in a time of global uncertainty

It is undeniable that businesses worldwide are grappling with uncertainties in demand and disruptions in supply chains, largely due to the unexpected and seemingly quixotic tariffs imposed by the United States. Tariffs and trade barriers will increase consumer prices, disrupt supply chains, and force industries everywhere to reimagine sourcing and manufacturing models, creating uncertainty.

For any global organisation, such challenges test resilience. We, being a global company, do not exist in a vacuum, and hence we too will be impacted; however we view these challenges not as setbacks but as springboards. Epictetus said, *"It's not what happens to you, but how you react to it that matters."* This is deeply embedded in our ethos at Sona Comstar. While we may not have control over external circumstances, our ability to analyse second-order impacts and our agility in responding to emergent opportunities continue to shape our path forward.

Nathan Furr writes in *The Upside of Uncertainty*, *"When you frame uncertainty as possibility, your ability to navigate it increases because your experience shifts from the fear of loss to the anticipation of gain."* We believe this trade war will be adverse for the entire global auto industry in the short term. However, we expect many opportunities to emerge from this chaos in the medium to long term. We firmly believe that strong players with technology moats and sound financial fundamentals - like Sona Comstar - will consolidate and grow.

With our global manufacturing footprint, scaled operations, diverse customer base, and proven record of delivering highly engineered and critical products at competitive cost, Sona Comstar is emerging as a strategic partner of choice in a reshaped global supply chain. This is a once-in-a-generation opportunity, and we intend to seize it with resolve and responsibility.

Celebrating 25 years of Sona Comstar

This year, we celebrated 25 years of our journey as a company. First and foremost, I thank our customers - we exist only because of them. I'm also deeply grateful to our employees, suppliers, advisors, shareholders, and former leaders like Dr. Kapur, Mr. T.K. Pal, Mr. Kiran Deshmukh, and many others who laid the foundation upon which we have built our edifice. The past 25 years have been remarkable and successful for the Company. However, as Heraclitus reminds us, *"No man crosses the same river twice, for it is neither the same river nor the same man"*. The people who came before us crossed a different river, and as we look ahead to the next 25 years, we must make our own crossings in different rivers.

So, what will Sona Comstar do or become in the next 25 years? Like all things in the future, our path and destination are unknowable. However, some things will remain ever constant. We will remain committed to our pursuit of growth. Over the last 25 years, we have achieved an average growth rate of 35%. While it may be challenging to replicate this success, we will strive to grow responsibly and as quickly as possible. We will tirelessly pursue technology to build an Indian engineering company that the world can be proud of. We will relentlessly seek global significance, competing in the U.S., China, Europe, India, and beyond. The Manusmriti says that *"धर्मो रक्षति रक्षितः"*, which translates to *"Dharma protects those who protect it"*; hence, our values will remain our compass, as they have always been. We will never compromise on integrity or respect for the individual.

This is our mission: to build something that truly matters in this world. This is our purpose, our promise, our duty — our Dharma.

👉 *Over the last 25 years, we have achieved an average growth rate of 35%"*

FROM THE DESK OF THE MD & GCEO

A new strategy for the next decade

Please allow me a few moments of seeming self-indulgence. Along with the Company’s 25-year milestone, I too, reached a personal milestone of 10 years of association with this wonderful company. When I joined the Company in 2015, we were a small, primarily domestic auto components business facing financial headwinds. Today, we are a global technology leader in driveline products and the market leader in BEV motors in India. Over the last decade, our revenue has grown 10x and net profit over 20x. While the outcome may suggest a journey of uninterrupted success, we have encountered a fair share of failures and challenges and have benefited from an enormous amount of luck. As I examine the past decade, I do ask myself if there was anything I actually did or was I merely there when things happened.

The true answer is hard to determine because several factors have contributed to our success, such as consistent investments in technology, strong customer relationships, a talented workforce, and our Company culture. However, careful and dispassionate analysis revealed that three critical decisions have contributed to over 85% of our growth in the last decade.

The fact that a career of ten years of toil and turmoil can be distilled down to only three important decisions, is simultaneously humbling as well as enlightening.

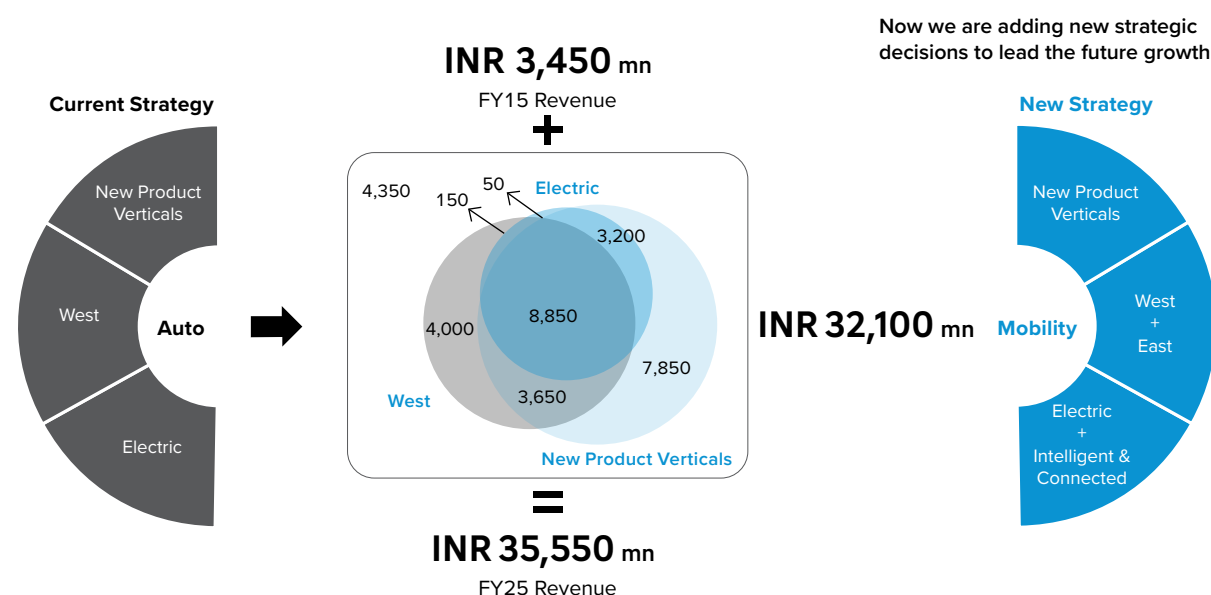
Our first and most significant decision was prioritising new products and technology verticals. We were primarily a single-product company in 2015, and today, we offer 22 products across three technology verticals: driveline, motors, and sensors.

Our second important decision was geographical diversification by expanding to Western markets. Today, we are among the largest suppliers of BEV differential assemblies, differential bevel gears, and starter motors to the North American market, and more than 70% of our revenue comes from markets outside India, with North America alone contributing 40%.

Our third key decision involved recognising the electrification trend early and acting decisively. Back in 2015, EVs were barely on the horizon - but we committed to them, and today we are a leading provider of electrified powertrain solutions globally. We anticipate that EVs will remain one of our key growth drivers over the next decade as well.

We are expanding our strategy to add new growth areas

We have grown 10x in the last 10 years by focusing on three key strategic decisions



Note: Revenue numbers are rounded off to the nearest multiple of INR 50 million for better readability.

The modern poet C. P. Cavafy wrote a piece in 1915: “For the gods perceive things in the future, ordinary people in the present, but the wise perceive things about to happen.” We are not gods, nor do we claim to be, but wisdom (or विवेक) lies in being able to hear that which does not yet make a sound. This mindset underpins our new growth strategy.

As we look ahead to the next decade, three strategic imperatives will guide us:

Adding new product verticals

We will focus most on adding even more new product verticals. The acquisition of the railway business and our recent ventures into humanoid robots, eVTOLs, and drones are steps in this direction.

Increasing focus on Eastern markets

In addition to growing market shares in North America and Europe, we will also increase our focus on Eastern markets, particularly India, China, Japan, and Korea. This may necessitate adaptations to our operating model, including the possibility of forming joint ventures or alliances.

Aligning with new mobility trends

Electrification will remain a key driver for our growth, while we will also introduce products that align with major trends towards vehicles and systems becoming increasingly intelligent and connected.

Singhavalokana: The year in retrospect

As this letter also serves as a performance report from the Manager to the Company’s owners, I am presenting our scorecard based on five Key Result Areas (KRAs): financials, electrification, global significance, diversification, and technology.

Financials

Our focus on innovation, customer centricity, and financial discipline has delivered solid results. Revenue, EBITDA, and PAT grew 12%, 8% and 16% year-on-year respectively. New products and business wins from existing and new customers continue to drive our revenue growth. The strong operating performance resulted in a free cash flow of INR 3.6 billion. Combined with the equity capital raise of INR 23.7 billion, we concluded the year with a robust total of cash and investments of INR 26.7 billion.

Electrification

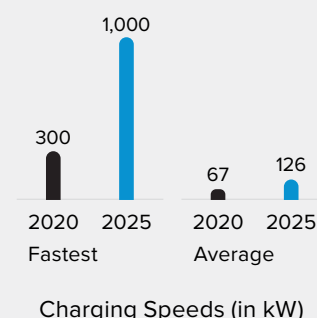
Recent technological advancements further affirm the inevitability of electrification. Average battery

charging speed has nearly doubled over the last five years. For instance, BYD’s Super E-Platform enables charging at a remarkable speed of 1000 kW, allowing a battery to gain 400 km of range in under five minutes. These improvements in charging speeds address three major challenges to battery electric vehicle (BEV) adoption: affordability, range anxiety, and long charging times.

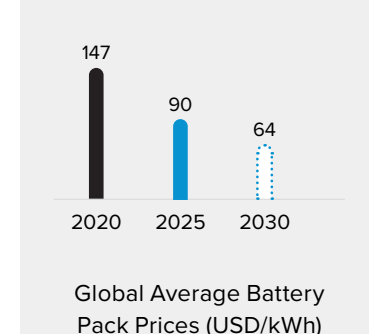
Simultaneously, battery pack prices have been declining due to innovations in battery chemistry and economies of scale in manufacturing. The global average price of battery packs has decreased by 35% in the past five years and is projected to drop by another 30% in the next five years.

Faster charging times also allow automakers to utilise smaller battery packs in vehicles, like the trend observed in internal combustion engine cars during the 1970s and 80s, which featured smaller engines and fuel tanks. This trend and the decrease in battery pack prices suggest that BEVs will achieve price parity with ICE cars in key markets by 2030.

EVs with ultra-fast charging technology can be charged faster, as fast as 5 minutes in some cases



Innovation in battery chemistry and economies of scale in manufacturing has led to reduction in battery prices



Price parity between EVs and ICE vehicles is expected to reach by 2030 in all major markets



FROM THE DESK OF THE MD & GCEO



We have embraced this change and established ourselves as a leading provider of electrified powertrain solutions for major automobile manufacturers in India and around the globe. Our BEV revenue increased 38% to over INR 12.2 billion in FY 2024-25, increasing our BEV revenue share from 29% last year to 36% in FY 2024-25. We won four new EV programmes and added two new EV customers, taking the number of EV programmes to 58 and the number of EV customers to 32.

Global significance

We have grown our global market share of differential gears from 8.1% in CY 2023 to 8.8% in CY 2024 and of starter motors from 4.2% to 4.4%. In the last year, we secured orders worth INR 47 billion, thus increasing our net order book to INR 242 billion or USD 2.8 billion. Remarkably, 77% of the net order book is from various EV programmes.

Recently, we celebrated the significant production milestone of 40 million starter motors, 8 million differential assemblies, and 0.5 million EV traction motors. These achievements are a testament to our 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, with the share of ICE-dependent products declining from 25% in FY 2024-25 to just 9% in FY 2024-25, exemplifies our proactive approach to risk management and strategic planning.

We are in the process of diversifying our business from automotive to a broader mobility sector. With the acquisition of the railway business, we have made significant progress, as more than 25% of our revenue will now come from non-automotive segments, and India will become our largest end market in revenue, followed by North America and Europe.

Progressing on our technology roadmap

New product development is the bedrock of our growth strategy. Over the past four years, we have successfully added ten new products to our offerings, including two in FY25, doubling our total to 19.

Our subsidiary, NOVELIC, secured its first product order to supply ACAM in-cabin sensors for electric vehicles. In January at CES 2025, it introduced a new affordable 180° field of view radar module. The latest development, ASPER200, is a 79 GHz short-range exterior radar module that covers an entire side of the vehicle with a single chip. These advancements indicate we are successfully transitioning NOVELIC from an engineering services business to a product and semiconductor chip design firm.

We strengthened our relationship with ClearMotion Inc. by investing \$ 4.0 million in their latest fundraising round. Their active suspension technology, powered by our motor-controller actuator, is already in production in China. As both a supplier and an investor in ClearMotion, we are well positioned to benefit from this advancement. We also partnered with ePlane Co. to develop powertrains for eVTOLs and drones, including gearboxes, motors, inverters, and related components.

Bigger bets on new mobility

“विकासस्य मूलं साहसम्।”:
The root of growth is courage.

We are putting this into action with every new frontier we explore. I often remind my team that “chaos is a ladder”. In uncertain times, while others pull back, we lean forward. We did this by betting big on electric vehicle systems in 2016, long before EV was a buzzword; we did that in 2019 by acquiring a company almost our size when people were avoiding M&A; and by doubling R&D expenditure during the Covid years. In 2025, we once again embrace uncertainty with boldness.

We are expanding our market focus beyond automotive to the broader mobility segment, including railways, drones, eVTOLs, AGVs, AMRs, industrial robots, and humanoid robots. All forms of mobility fundamentally depend on two core systems: a prime mover (usually a motor or engine) and a transmission mechanism, which includes gears for torque conversion and power delivery. Sona Comstar possesses strong competencies in these areas, positioning it well to meet the evolving needs across various mobility segments.

We are leveraging our core technologies and knowledge of materials, systems engineering, and embedded software and hardware to become a full system supplier for multiple applications and diverse mobility segments.

Looking forward

In a world full of doubt, strength is a necessity. And strength is not only an individual trait; at Sona Comstar, our strength lies in our collective spirit. It's in the way we lean on each other and push forward as one.

When you are smaller in size, as our Company is relative to our twenty to thirty times larger global competitors, timidity is not an option. Ambition and aggression are not only important, but they are also, in fact, essential. Our teams in research and development, manufacturing, engineering, and corporate functions exemplify our core values and ambitions every day.

I am ever grateful for their drive, discipline, and creativity. I would also like to thank our customers, partners, suppliers, and especially you - our shareholders - for your trust, support, and confidence in our long-term vision.

Organisational theorist Karl E. Weick once posited, "In a fluid world, wise people know that they don't fully understand what is happening right now." This underscores the need for humility and adaptability in facing new challenges. At Sona Comstar, we embrace this mindset, viewing each development as a chance to learn and innovate.

We are making bolder moves and expanding our horizons, recognising that while change may be unpredictable, it also brings opportunity. As Taleb reminds us, “If you want to become antifragile, put yourself in the position to benefit from volatility.” We are trying to build just that — an antifragile company, engineered for resilience and designed for the future.

Warm regards,

Vivek Vikram Singh
Managing Director & Group CEO

CFO'S REVIEW

Spearheading bold moves with discipline



Rohit Nanda
 Group Chief Financial Officer

Dear Shareholders,

FY 2024-25 marked the completion of 25 years of our operations. We continue to work towards becoming one of the world’s most respected and valuable mobility technology companies for our customers, employees, and shareholders.

To fulfil this vision, we continue to grow our market share in the existing products, wherein our global market share for Differential Bevel Gears grew to 8.8% (up from 8.2% last year) and for starter motors to 4.4% (up from 4.2% last year). We entered the E2W/E3W market four years back with our range of traction motors and inverters, and this segment has grown to 8% of our revenue in FY 2024-25. We added 32 new programmes and seven new customers during the year, and increased our order book position to INR 24,200 crore, 77% of which consists of EV programmes.

Amongst the key product and technology milestones achieved during the year was our first product order win in NOVELIC, a company primarily engaged in engineering, software and chip design services at the time of its acquisition in FY 2023-24. We also commenced supply of suspension motor controller module, developed for a unique and novel application in pro-active suspension system made by one of our customers. We also developed three new products during the year.

Railway acquisition

To accelerate our journey to cater to multiple forms of mobility, we identified Railways as a sustainable form of mobility and entered into an agreement to acquire the Railway Business of Escorts Kubota Limited in October 2024. We consummated the transaction on June 1, 2025, through a slump sale.

Business and growth drivers of the Railway Business are different from those of the Automotive industry, and therefore, we believe that this business offers us a true diversification. A large part of the current revenue comes from various types of railway brakes, couplers, and suspension systems, but the Company has scope to add more products and continue to grow over the next few decades. We aim to leverage in-house R&D as well as seek global technology partnerships to add more products to this business.

Growth avenues

In anticipation of the M&A transaction(s) and to strengthen our balance sheet, we raised equity capital of INR 2,400 crores through a Qualified Institutional Placement of our shares in September 2024. We thank all our investors who reposed their faith in us by giving an overwhelming response to the issue.

Our hunger for growth continues unabated, and we will continue to explore both organic and inorganic avenues to offer long-term value to our shareholders. Our existing products still have room for further growth, and our growing order book reflects the same. We have also identified new products and application opportunities, which we believe can be addressed by harnessing our existing capabilities through in-house R&D and/or technology tie-ups.

Some emerging applications with multi-decadal growth potential include gear and motor applications in Humanoid robots, e-VTOL, drones, and AGV/AMRs.

When it comes to inorganic opportunities, we have set evaluation guardrails to stay true to our corporate vision. We look for businesses having long term relevance (longevity) and strong moats due to technology or process advantage or barriers to entry, typically reflected in differentiated margins (profitability). From a capital structure perspective, we avoid high leverage and will remain conservative on this front.

Performance in FY 2024-25

In the year gone by, we grew our revenue by 12% to INR 3,555 crore, while our Profit after Tax increased 16% to INR 601 crore. We generated INR 360 crore of free cash flows after spending INR 416 crore on capex during the year. We benefited from income accrual from the Auto PLI scheme, for which we had eight products approved, and from deploying surplus funds in various investments.

On the sustainability front, one of our key metrics – BEV revenue as a percentage of overall sales, reached a new high of 36% this year. We also continue to improve intensity (per rupee of revenue) across various ESG parameters. Energy consumption improved by 1.6%, waste generation by 1.3%, and emissions (scope 1 & 2 only) by 0.4%. The share of electricity consumption from renewable sources as a percentage of overall energy consumption jumped to 3.4%, compared to 1.9% last year.

Similarly, we showed progress in diversity by increasing women’s participation among employees to 8.1%, up from 7.7% last year, and among workers to 5.5% from 5.4%.

Outlook for FY 2025-26

As we peek into the near-term future, we foresee uncertainty arising from the actions of some large nations through the imposition of tariffs and non-tariff trade barriers. Trade barriers tend to evince retaliatory responses from trading partners, increasing uncertainty and complexity.

A Feb-2025 Federal Reserve paper studies the effects of increased trade costs due to tariff and non-tariff linked disruptions on inflation, and concludes that these effects tend to be inflationary and persistent, especially for intermediate goods. We believe continuing trade barriers will likely be inflationary and disruptive to overall economic activity, and we may be getting into an economic slowdown.

While this poses challenges, it also offers opportunities for those prepared to “climb the wall of worry”. We believe Sona has the appetite and the balance sheet strength to seek and benefit from such potential opportunities.

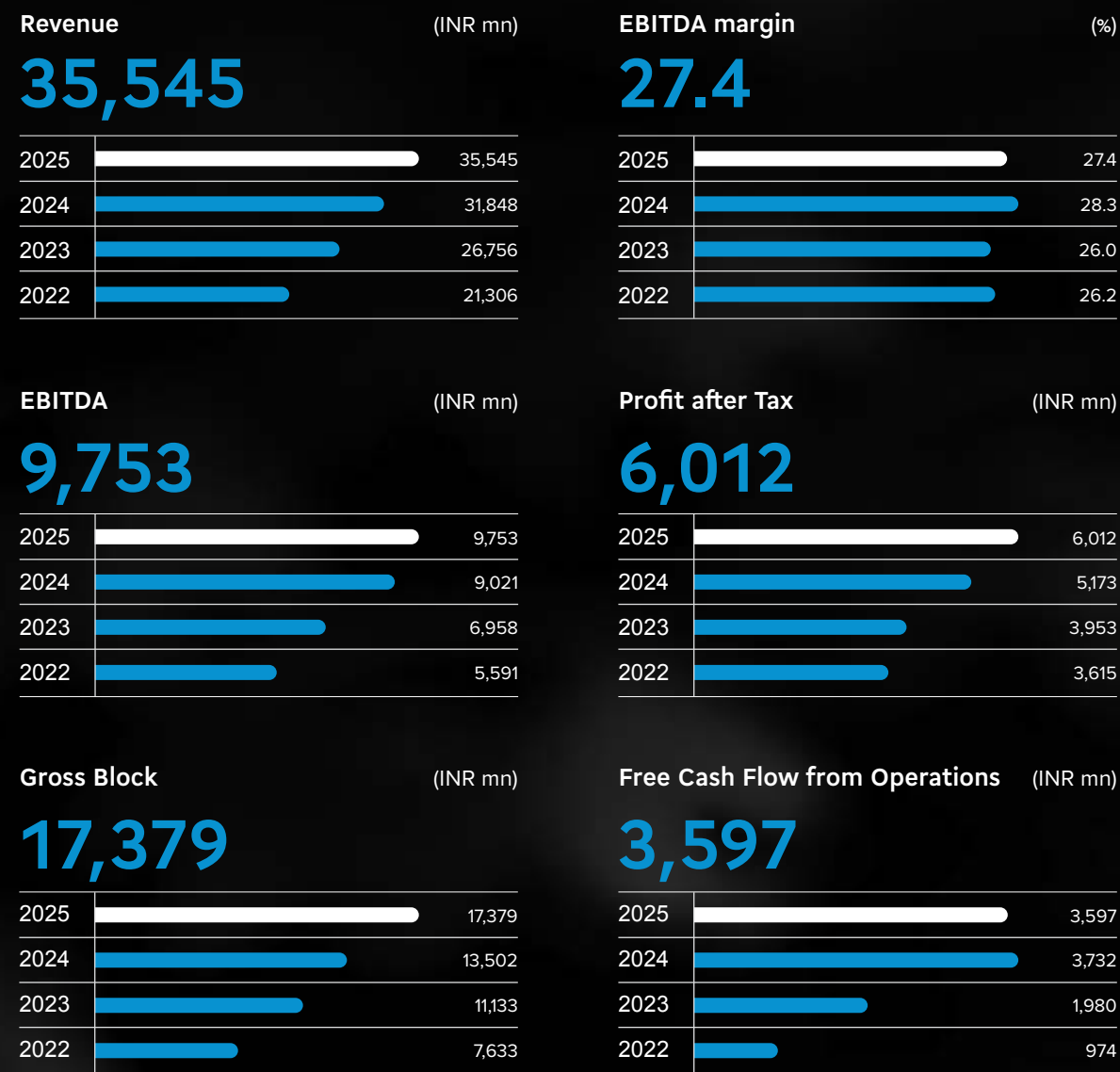
Warm regards,

Rohit Nanda
Group CFO

KEY PERFORMANCE INDICATORS

Driving performance, fuelling growth

Financial



EBITDA

(INR mn)

9,753

2025		9,753
2024		9,021
2023		6,958
2022		5,591

Profit after Tax

(INR mn)

6,012

2025		6,012
2024		5,173
2023		3,953
2022		3,615

Gross Block

(INR mn)

17,379

2025		17,379
2024		13,502
2023		11,133
2022		7,633

Free Cash Flow from Operations

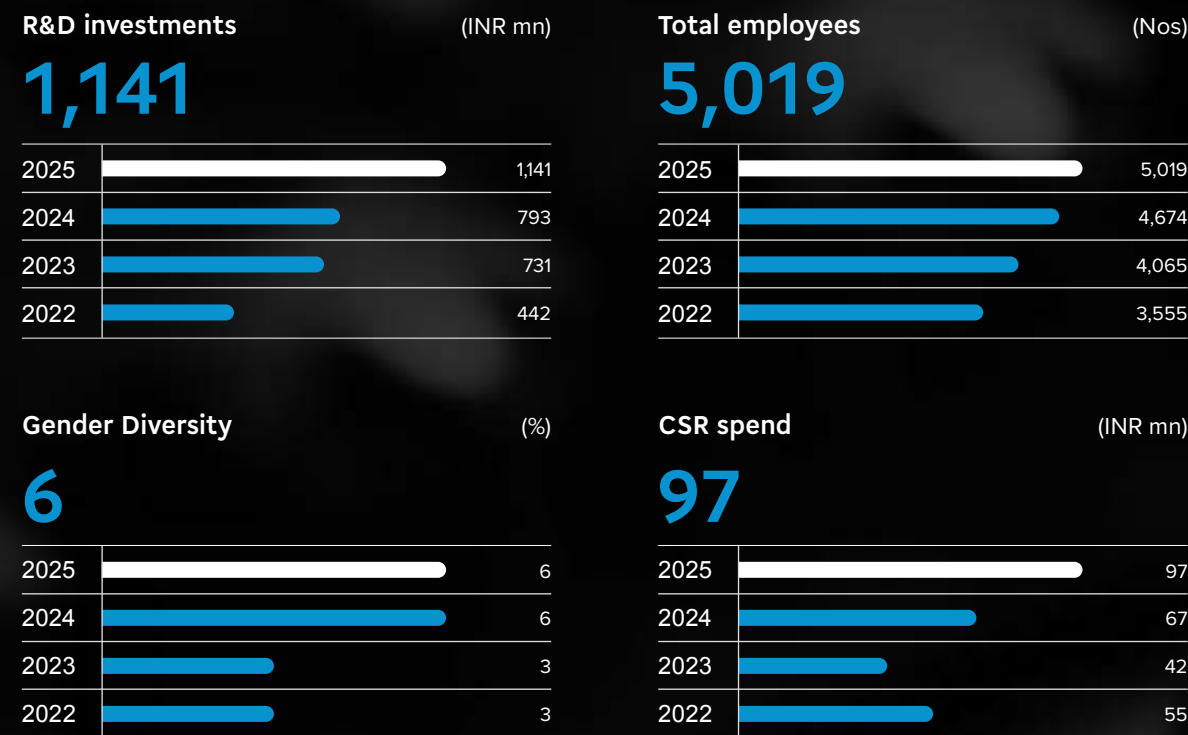
(INR mn)

3,597

2025		3,597
2024		3,732
2023		1,980
2022		974

y-o-y growth

Non-financial



Gender Diversity

(%)

6

2025		6
2024		6
2023		3
2022		3

CSR spend

(INR mn)

97

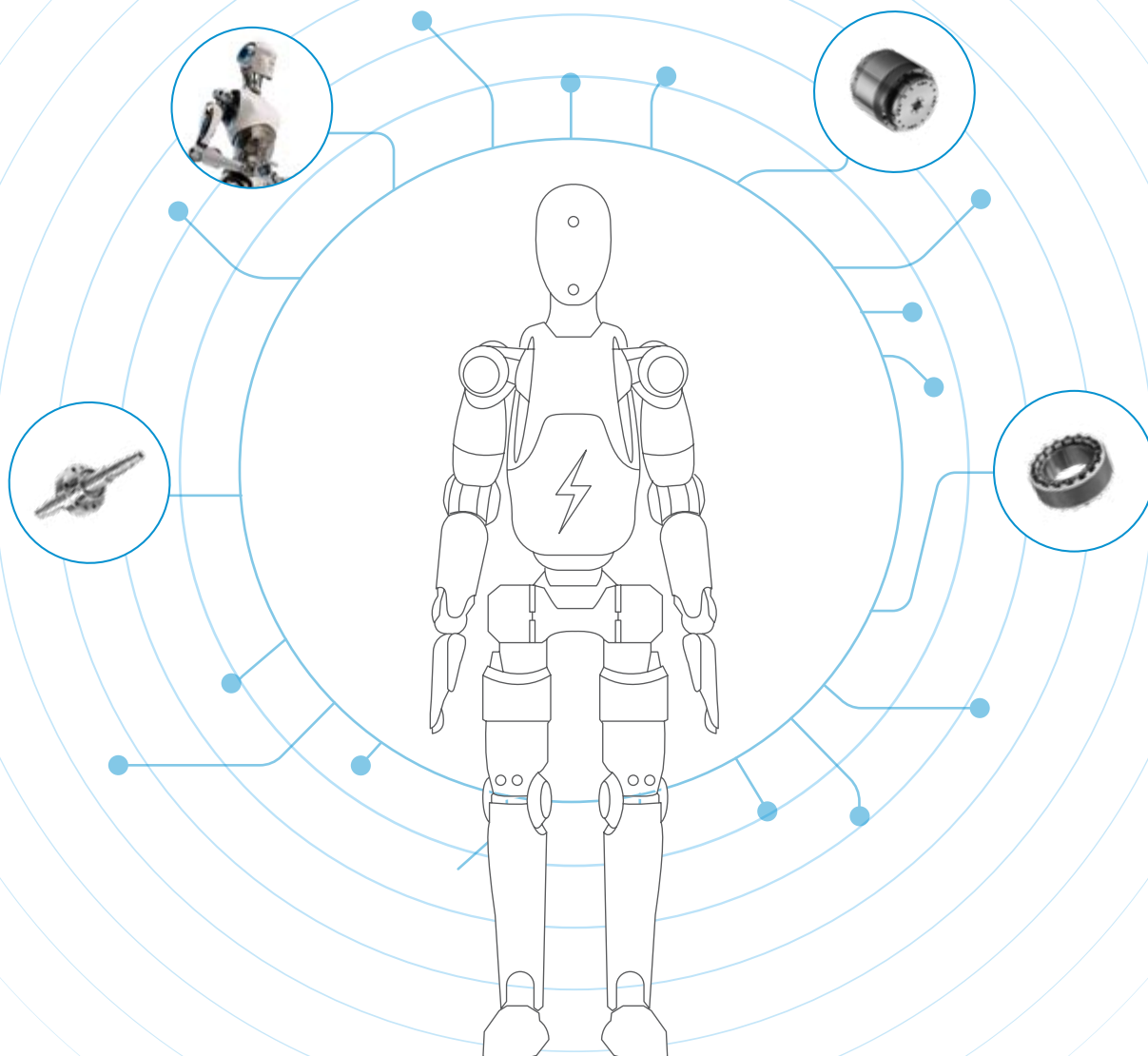
2025		97
2024		67
2023		42
2022		55

BOLDER MOVES

Making a leap into the future

Humanoid robots are no longer just a sci-fi fantasy; they are quickly becoming a platform technology used in logistics, eldercare, hazardous industrial operations, and even consumer interactions. We aim to lead this transformation. Our pursuit of advancements in humanoid robotics is not a strategic shift but rather an extension of our core capabilities into the broader field of mobility technology.

With significant advancements in AI, 3D perception, and control technologies, along with decreasing computing costs, we anticipate a rapid adoption of humanoid robots over the next decade. We are utilising our core capabilities to develop components and subsystems for these humanoid robots. The actuators, high-efficiency motors, precision gears, and embedded control systems that power electric vehicles are also essential for humanoid robotics.



Drones, eVTOL, AGV/AMR

Our commitment to innovation in mobility continues to evolve beyond traditional domains, extending into cutting-edge sectors such as Drones, eVTOL aircraft, and Autonomous Guided Vehicles (AGVs) and Autonomous Mobile Robots (AMRs). Recognising the transformative potential of these technologies, we are actively engaged in the development of advanced components and integrated sub-systems tailored to meet the unique demands of these high-growth segments.

At our state-of-the-art R&D and Innovation Centre in Chennai, we are prototyping robotic systems, with cross-functional teams exploring new applications for mobility-grade sensors, high-performance computing and electromechanical integration.

PARTNERING TO FAST-TRACK

We have recently signed an MoU with the Technology Innovation Hub on Autonomous Navigation (TiHAN) at IIT Hyderabad for advanced mobility solutions such as autonomous ground vehicles (AGVs) and eVTOLs, which could play a pivotal role in advancing our ambitions, as they share core technology layers with robotics and drones.

Another MoU was signed with The ePlane Company to collaborate on powertrain development for electric vertical take-off and landing (eVTOL) aircraft and drones. Under this agreement, we are working together on designing and developing key components such as gearboxes, motors, inverters, and related systems for eVTOLs and drones.



As we strive for innovation, our commitment to humanoid robotics represents a significant step towards shaping the future of intelligent machines. This initiative positions us as a key player in the rapidly evolving field of robotics and automation.

These strategic expansions strengthen our position as leaders in next-generation mobility solutions and align with our vision of creating a smarter, more connected, and sustainable future.

BUSINESS MODEL

A model built to maximise value

Inputs

- Extensive global footprint**

We operate twelve manufacturing facilities strategically positioned across key markets worldwide, enhancing our ability to effectively serve our clientele
- Seasoned leadership**

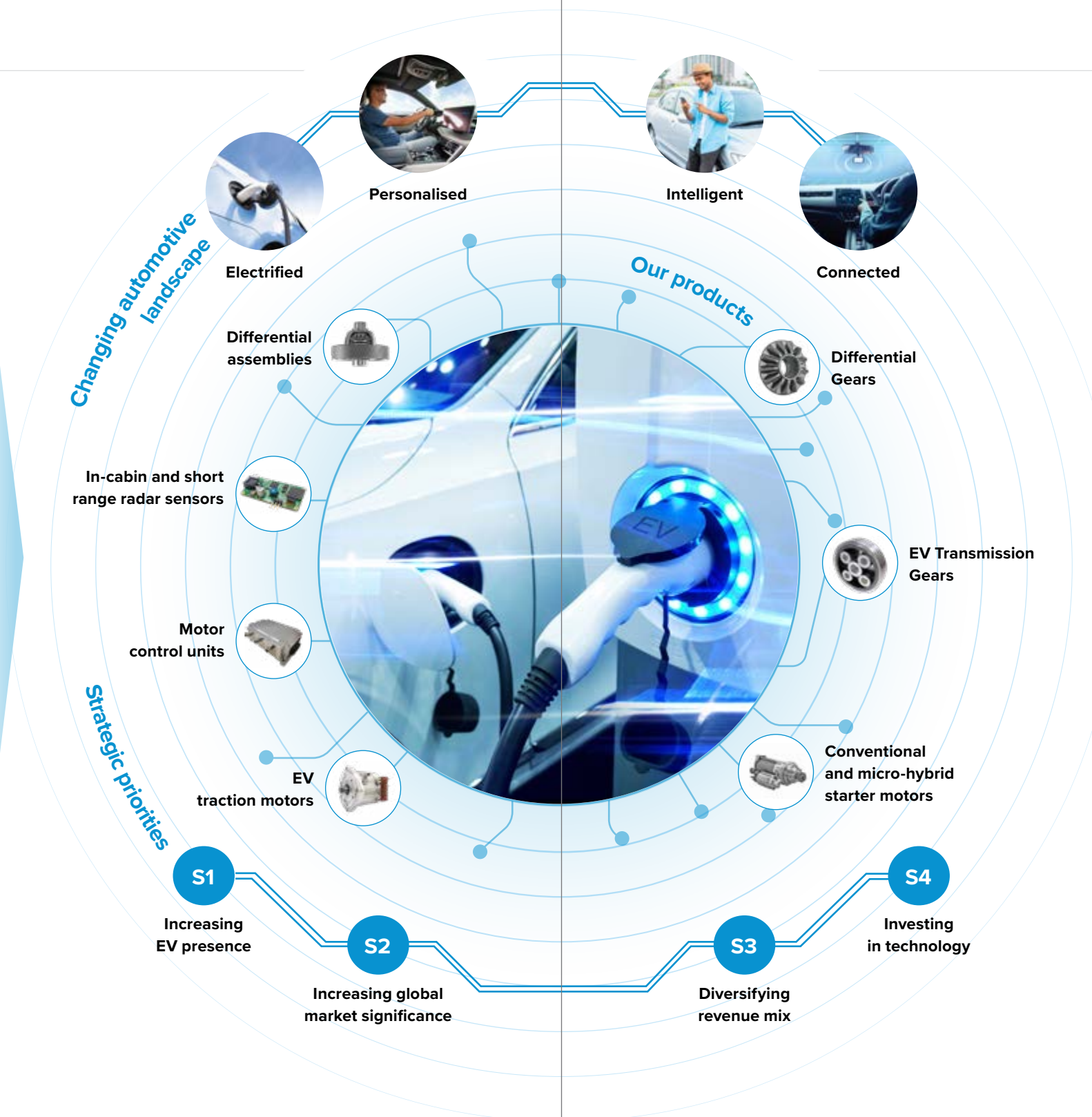
Our management team collectively boasts over 120 years of industry experience, offering profound insight into the automotive sector's intricacies
- Dynamic operational framework**

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 spent ~3% of our revenue for R&D
- Robust governance**

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 environment-friendly manner and having a positive impact on our employees and communities



Outcomes

INR 35,545 mn

Revenue

INR 9,753 mn

EBITDA

INR 6,012 mn

PAT

INR 9.92 per share

EPS

8.8%

Global market share in differential gears

4.4%

Global market share in starter motors

INR 242 bn

Order book as on 31st March, 2025

Received CSR Times - Bronze Award for impactful CSR projects

Received Certificate of Appreciation for Excellence in Corporate Governance by the ICSI

5,570

Students benefitted from our CSR programmes

EVOLVING LANDSCAPE

Adapting to a changing world

The global mobility ecosystem is undergoing a profound transformation. Driven by sustainability imperatives, digital convergence, and shifting customer expectations, the role of automotive and mobility technology companies is expanding rapidly.

At Sona Comstar, we are continually adapting while leading this change. Grounded in our EPIC philosophy, we are redefining the future of mobility across four interconnected dimensions:



Electric

Ultra-fast charging technology is transforming EVs, with some models charging in just 5 minutes. The sharp drop in battery prices, coupled with innovations in battery chemistry and economies of scale, is driving costs down further. As a result, EVs are expected to achieve price parity with internal combustion engine (ICE) vehicles by 2030 in all major markets. This, along with the push for zero-emission vehicles and growing policy support, is accelerating the transition to electric mobility.



Personalised

Modern consumers demand customised mobility experiences. From in-cabin sensors to digitally enhanced safety features, the shift toward tailored, user-centric systems is well underway.



Intelligent

Vehicles are evolving into rolling computers. The number of lines of code in cars has grown exponentially over the past decade from around 10 million lines in 2010 to over 100 million today, with projections suggesting up to 300 - 500 million lines in next-generation autonomous and connected vehicles. This shift demands that mechanical components be embedded with software and intelligence.

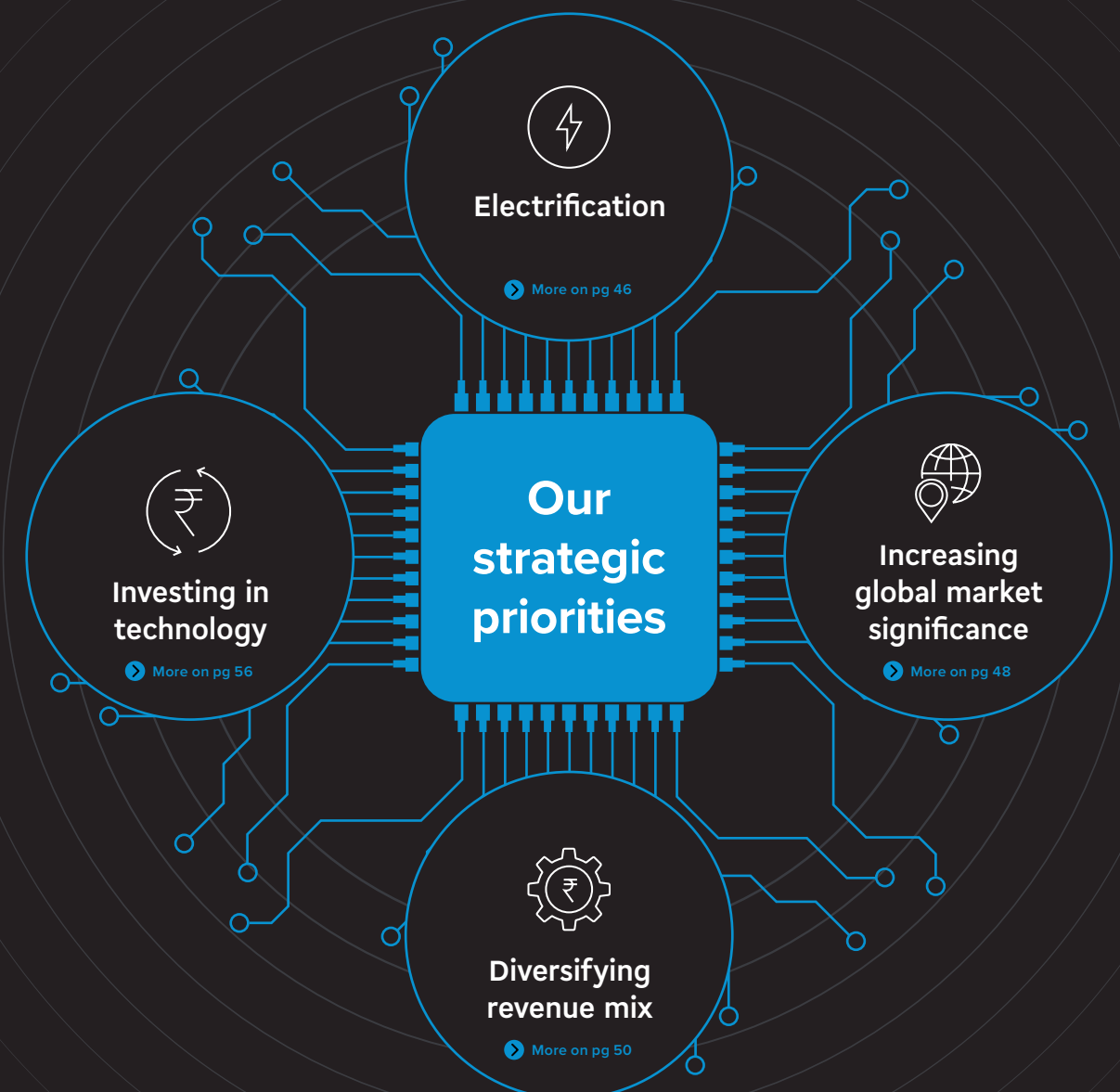


Connected

Connectivity is creating new mobility experiences and business models. From vehicle-to-infrastructure (V2X) communication to cloud-integrated diagnostics, connected mobility is unlocking predictive, data-rich ecosystems.

OUR STRATEGY

Ready for what's next



OUR STRATEGY

Electrification

Electrification continues to be the most transformative force in mobility. We were early believers in this shift, and today, it defines how we innovate, where we invest, and who we partner with. As the world accelerates toward cleaner transport, we are positioned not just as participants but as enablers of this change.

The global movement toward decarbonisation has reached an inflection point. With falling battery costs, supportive regulations, and rising environmental urgency, the shift to electric vehicles (EVs) is no longer linear; it's exponential. Battery prices have dropped significantly from around \$ 180–190 per kWh in the early 2010s to \$ 90–100 per kWh today and are expected to reach \$ 70–80 per kWh in the coming years. Governments are doubling down on zero-emission targets, and OEMs are rapidly expanding their EV portfolios across passenger, commercial, and off-highway segments.

Beyond the road, our vision for clean mobility includes India's largest and most sustainable mode of transport: railways. With the acquisition of Escorts Kubota's Railway Equipment Division, we will be expanding our electrification expertise into new categories, offering system-critical solutions for mass transit systems that align with our sustainability-first strategy.

As powertrains evolve, our role evolves too, from a component maker to a comprehensive electrification partner. Whether it's enabling EVs, e-buses, e-planes, or electric rails, we are helping the world move cleaner, faster, and smarter.

32

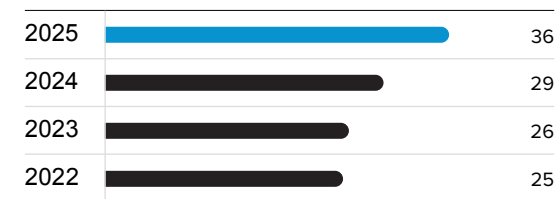
EV Customers

77%

Share of EV in orderbook

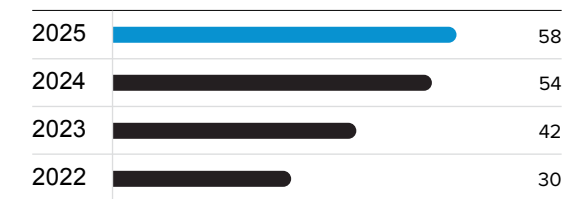
Revenue Share from BEV (%)

36



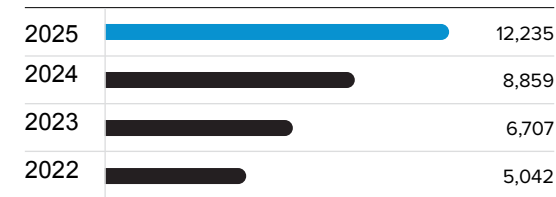
EV Programmes (%)

58



BEV segment revenue (INR mn)

12,235



OUR STRATEGY

Increasing market share

Our market share story is rooted in trust built over decades through engineering excellence, global reach, and a deep understanding of customer needs. As the mobility ecosystem evolves, our commitment to innovation continues to earn us a stronger presence across products, platforms, and geographies.

With a presence across India, the USA, Mexico, Europe, and China we are strategically positioned to serve global OEMs at scale. Our integrated manufacturing and R&D capabilities have made us a preferred partner for new platforms as well as for long-term, repeat business across key product families.

We have maintained global leadership in differential gears and starter motors and expanded our presence in differential assemblies, reduction gears, and traction motors. Our market share continues to grow as

we deepen customer relationships and deliver differentiated, high-value solutions.

Our INR 242 billion order book reflects the growing trust of over 60 OEMs and Tier-1 suppliers worldwide across segments as diverse as PVs, 2W/3Ws, CVs, OHVs, and now, railways.

Whether it's through product leadership, localisation, or co-development capabilities, we are expanding our market share by entering into more programmes and becoming integral to our customers' innovation journey.

Suppliers to major global OEMs

INR 47 bn

Worth of new orders added in FY25

32

Programmes won in FY25

7

New customers added in FY25

7

Of the world's top-10 PV OEMs

7

Of the world's top-10 tractor OEMs

3

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

3

Of the world's top-10 CV OEMs

3

Of the world's top-10 EV OEMs

Our orderbook

77%

Share of EV in Net Order Book

INR 242 bn

Net Order Book

Global market share of differential gears

(%)

8.8

2025		8.8
2024		8.1
2023		7.2
2022		6.3

Global market share of starter motors

(%)

4.4

2025		4.4
2024		4.2
2023		4.1
2022		4.6

OUR STRATEGY

Diversification

Diversification has been our way of building resilience and discovering new growth. By expanding across products, platforms, and geographies, we are reducing concentration risks while creating new opportunities in emerging mobility ecosystems.

Our diversification strategy balances immediate stability with long-term growth opportunities. While our foundation is built on driveline components and starter motors, our current focus has expanded to encompass electric powertrains, embedded systems, and now, non-automotive mobility.

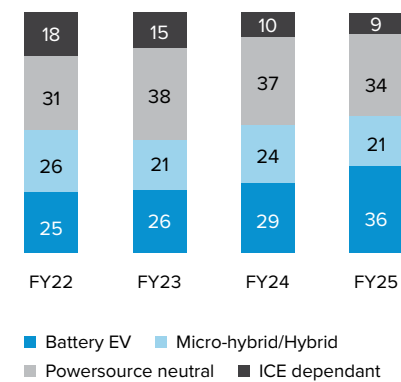
The acquisition of the Railway Equipment Division marks our entry into a new sector that aligns with our vision for clean mobility. Railways, recognised as the most environmentally sustainable mode of mass transport, offer a significant, high-barrier opportunity and represent a bold step towards our goal of serving 'everything that moves'.

We have strategically diversified our global presence. While North America and Europe remain essential markets, we are deepening our footprint in the Eastern world, including India, China, and other Asian markets, to effectively serve global OEMs with regional agility. Our transition from single components to multi-product systems - such as integrated motor controllers and radar-enabled sensors - reflects this shift in capability and revenue.

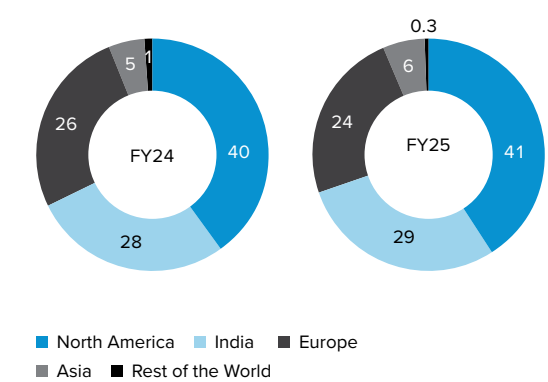
Our reliance on traditional internal combustion engine (ICE) vehicles has steadily decreased, dropping from 18% in FY22 to 9% in FY25. As our dependence on ICE vehicles continues to decline, we remain committed to building a balanced, future-ready portfolio that thrives across different cycles, categories, and continents.

Our optimised portfolio

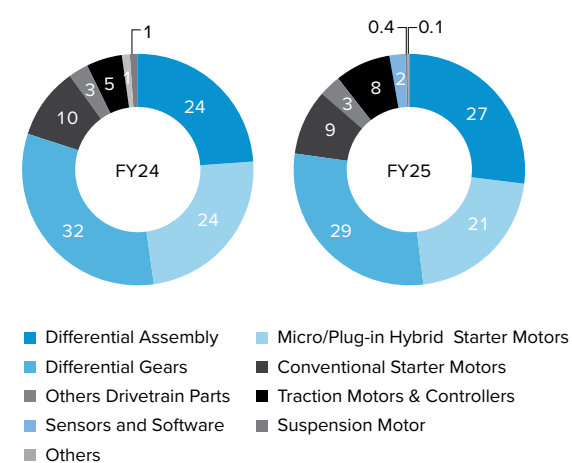
Product Revenue mix by Powertrain (%)



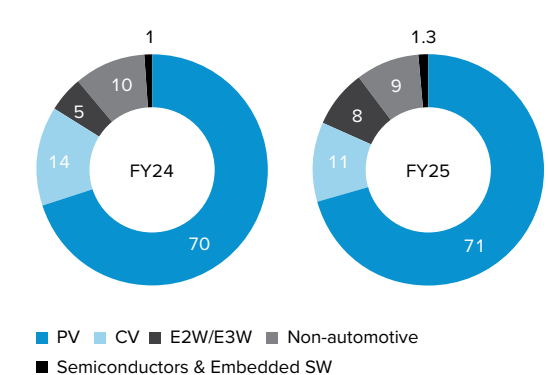
Revenue mix by Geography (%)



Revenue mix by product (%)



Revenue mix by Market Segment (%)



GROUP CTO MESSAGE

From products to possibilities



Praveen Chakrapani Rao
Group Chief Technology Officer

Dear Shareholders,

During FY 2024-25, we marked a significant milestone by making a grand entry into CES – the Consumer Electronics Show in Las Vegas, the world’s largest and most influential technology event. This global stage vividly demonstrated the rapid evolution of mobility technology and the opportunities that lie ahead.

While consumer electronics remained a key highlight, what truly captured attention was the revolution in mobility: electrification across virtually every mode of transport, the accelerating promise of autonomous vehicles, and the rise of humanoid robots. These humanoids, once confined to science fiction, are now being heralded as the next big leap—poised to transform automation across consumer, industrial, and even household and eldercare services.

In alignment with our vision – to be the most respected and valuable mobility technology company, we have begun to look beyond the traditional boundaries of the automotive sector. This is not just about expanding into adjacent products and markets; it’s about stepping boldly into transformative spaces that will redefine how the world moves.

As we venture deeper into these domains, it has become clear how much time and effort it takes to bring new products to life. There is a need to streamline and strengthen our innovation process. This led us to take a closer look at our approach to technology forecasting, technology scouting and specifically the process of technology development and infusion. A common thread emerged; the need for a unified and structured system to evaluate and monitor progress across product lines. After extensive research and careful evaluation, we adopted the Technology Readiness Level (TRL) framework, which is a well-established methodology for representing technology’s progress through three phases – Research (TRL 1-3), Development (TRL 4-6), and Deployment (TRL 7-9). This has brought about uniformity in representation across diverse product lines as well as within individual product lines.

TRL	Definition	Hardware	Software	Exit criteria
Research				
1	Basic principles observed and reported.	Scientific knowledge generated underpinning hardware technology concepts/applications.	Scientific knowledge generated underpinning basic properties of software architecture and mathematical formulations.	Peer reviewed publication of research underlying the proposed concept/application.
2	Technology concept and/or application formulated.	Invention begins, practical application is identified but is speculative, no experimental proof or detailed analysis is available to support the conjecture.	Practical application is identified but is speculative, no experimental proof or detailed analysis is available to support the conjecture. Basic properties of algorithms, representations and concepts defined. Basic principles coded. Experiments performed with synthetic data.	Documented description of the application/concept that addresses feasibility and benefit.
3	Analytical and experimental critical function and/or characteristic proof of concept.	Analytical studies place the technology in an appropriate context and laboratory demonstrations, modelling and simulation validate analytical prediction.	Development of limited functionality to validate critical properties and predictions using non-integrated software components.	Documented analytical/ experimental results validating predictions of key parameters.
Development				
4	Component and/or breadboard validation in laboratory environment.	A low fidelity system/ component breadboard is built and operated to demonstrate basic functionality and critical test environments, and associated performance predictions are defined relative to the final operating environment.	Key, functionally critical software components are integrated, and functionally validated, to establish interoperability and begin architecture development. Relevant environments defined and performance in this environment predicted.	Documented test performance demonstrating agreement with analytical predictions. Documented definition of relevant environment.
5	Component and/or breadboard validation in relevant environment.	A medium fidelity system/ component brassboard is built and operated to demonstrate overall performance in a simulated operational environment with realistic support elements that demonstrates overall performance in critical areas. Performance predictions are made for subsequent development phases.	End-to-end software elements implemented and interfaced with existing systems/simulations confirming to target environment. End-to-end software system, tested in relevant environment, meeting predicted performance. Operational environment performance predicted. Prototype implementations developed.	Documented test performance demonstrating agreement with analytical predictions. Documented definition of scaling requirements.
6	System/sub-system model or prototype demonstration in an operational environment.	A high fidelity system/ component prototype that adequately addresses all critical scaling issues is built and operated in a relevant environment to demonstrate operations under critical environmental conditions.	Prototype implementations of the software demonstrated on full-scale realistic problems. Partially integrate with existing hardware/software systems. Limited documentation available. Engineering feasibility fully demonstrated.	Documented test performance demonstrating agreement with analytical predictions.
Deployment				
7	System prototype demonstration in an operational environment.	A high fidelity engineering unit that adequately addresses all critical scaling issues is built and operated in a relevant environment to demonstrate performance in the actual operational environment and platform.	Prototype software exists having all key functionality available for demonstration and test. Well integrated with operational hardware/software systems demonstrating operational feasibility. Most software bugs removed. Limited documentation available.	Documented test performance demonstrating agreement with analytical predictions.

GROUP CTO MESSAGE

TRL	Definition	Hardware	Software	Exit criteria
8	Actual system completed and 'flight qualified' through test and demonstration.	The final product in its final configuration is successfully demonstrated through test and analysis for its intended operational environment and platform.	All software has been thoroughly debugged and fully integrated with all the operational hardware and software systems. All user documentation, training documentation, and maintenance documentation completed. All functionality successfully demonstrated in simulated scenarios. Verification and Validation (V&V) completed.	Documented test performance verifying analytical predictions.
9	Actual system flight proven through successful mission operations.	The final product is successfully operated in an actual mission.	All software has been thoroughly debugged and fully integrated with all operational hardware/software systems. All documentation has been completed. Sustaining software support is in place. System has been successfully operated in the operational environment.	Documented mission operational results.

With that clarity in place, our next step was to de-clutter the roadmap and communicate our long-term goal of becoming a leader in EPIC mobility - an acronym that encapsulates mobility that is Electric, Personal, Intelligent, and Connected. We also recognised a need to communicate our

growing capability, from just products sub systems to complete systems, making us a capable partner for delivering everything from components to complete solutions. This evolution not only enhances our value proposition but deepens our engagement with customers.

All of these efforts are driving us toward our core goal: to be a dominant player wherever and whenever the movement of people or goods is involved.

Today, the global landscape is rife with disruptions (we have all been VUCA-ed again!). The need for entire industries and companies to remain agile has never been more urgent. At Sona Comstar, we are fortunate to have a management and team that stays focused on what matters most: our customers and our business. Agility is one of our core values, and it is empowering us to respond quickly and effectively to evolving market conditions.

Technology is, and will be at the centre of our growth and sustenance. It's embedded in every conversation - from new product development and day-to-day operations to ESG and customer engagements. To stay ahead, we are actively integrating AI and machine learning across our business. These technologies are helping us not only in operational improvements, but also in strategic innovation through the use of AI agents, digital twins, and advanced scenario planning. These tools are enabling us to operate leaner, adapt faster, and unlock new opportunities for sustainable growth.

But none of this would be possible without the energy, drive and aspirations of our talented people. It is their passion and vitality that are powering our journey, shaping the future and helping position Sona Comstar as a global leader in EPIC mobility.

While we cannot predict the future with certainty, we can fully invest our minds and hearts in what we believe – helping our customers succeed, adding value every day, and continuing to innovate for a better world.

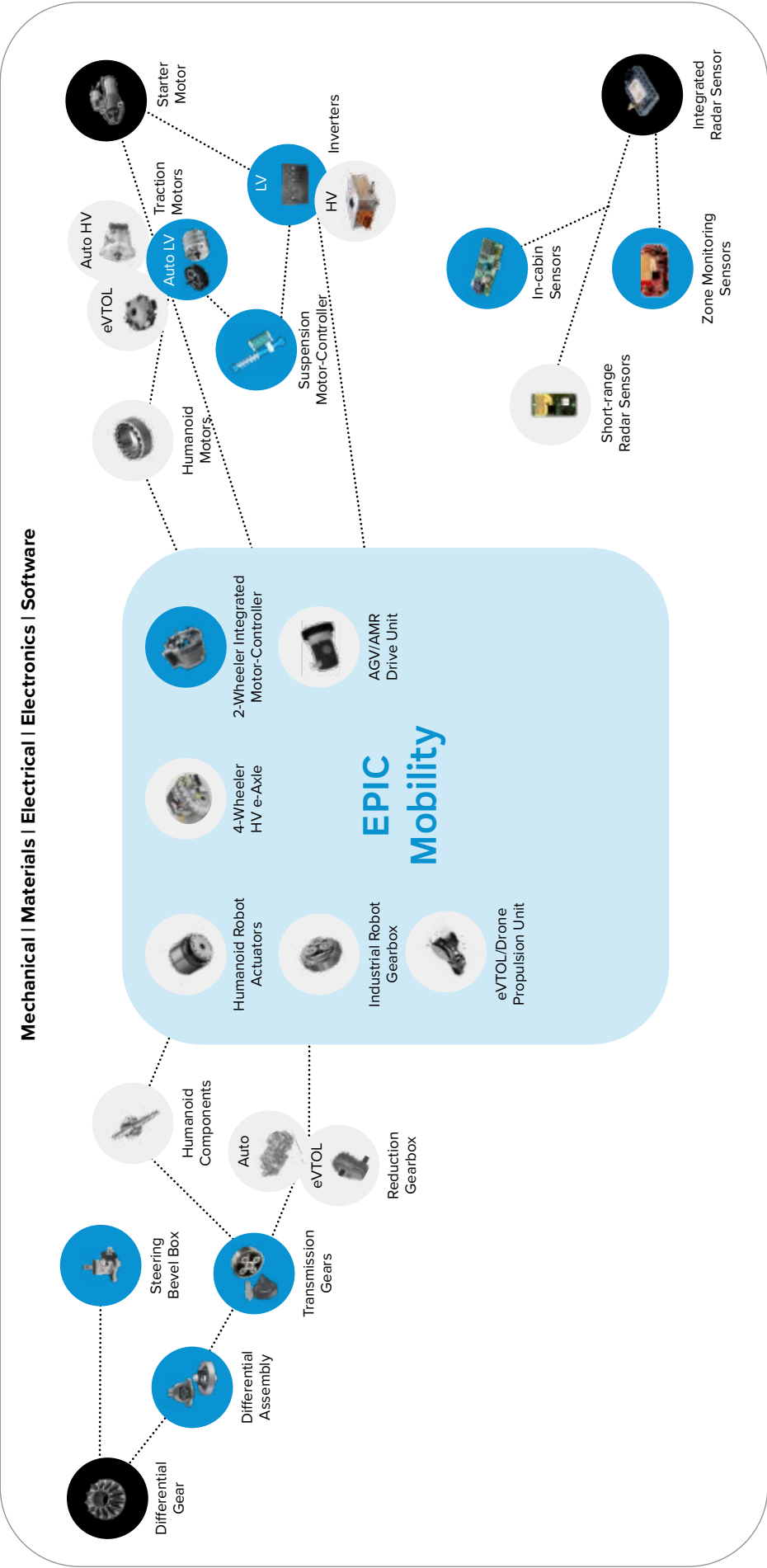
As I walk in the footsteps of my predecessor, Mr. Deshmukh, I am continually inspired by his vision, simplicity and focus. These qualities will be my guiding light as we step into a future filled with opportunities.

Warm regards,

Praveen Chakrapani Rao
Group Chief Technology Officer

Our technology roadmap for E.P.I.C. mobility

Harnessing capabilities to continue our journey from components to subsystems to systems in all areas of EPIC mobility



OUR STRATEGY

Technological prowess

FY 2024-25 marked a pivotal moment in Sona Comstar's technology journey. Building on our core strengths, we accelerated the evolution from traditional component engineering to advanced subsystems and fully integrated platforms. Our strategic emphasis on intelligent, software-driven, and electrified systems is placing Sona Comstar at the cutting edge of next-generation mobility solutions.



From R&D to commercial innovation

In FY 2024-25, we made great strides in transforming deep research and development into commercialised innovations. Our expanded portfolio also aligns with our focus on the E.P.I.C. mobility landscape. During the year, we commercialised three new products. Two of them – In-cabin Sensors for child presence detection and Zone Monitoring Sensors for industrialised environments – were based on our mmWave Radar technology, and the third one – Steering Bevel Box for commercial vehicles – was based on our precision forging technology.

1. In-cabin sensor

The In-cabin sensor is a critical safety feature designed to detect the presence of a child in the vehicle, preventing tragic accidents and ensuring peace of mind for car owners. Utilising advanced radar technology, this system offers precise and reliable detection even under challenging conditions such as when a child is asleep, covered by a blanket or is in the seat well. This product aligns with our vision of integrating advanced safety features into modern electric vehicles.

2. Zone monitoring sensor

It is truly a revolutionary product that gets us firmly into the industrial segment. These sensors whose purpose is to alert and protect people operating in potentially unsafe or hazardous work environments. This could also be used in factory floors where people work in proximity with robots and AGVs. This product opens opportunities in the industrial domain where several use cases exist today. The use of this product will enhance existing safety measures like barriers or, in some cases, even replace them.



3. Steering bevel box

Commercialisation of this product is due to our strengths in forging and precision machining to develop the solution for a new application outside our traditional area of Driveline. This product has applications in commercial vehicle steering systems.

These breakthroughs reflect our evolution from designing standalone components to architecting smart, integrated systems.

Innovation highlights

Our technology portfolio spans a broad spectrum, from traditional bevel gears and starter motors to EV-focused differential assemblies and traction motors to intelligent products such as radar sensors and suspension motors and a large pipeline of innovative products for newer forms of mobility, reflecting bold, forward-thinking shifts.

- Portfolio of total 105 patents (39 granted, 66 applied)
- Strengthening our intellectual property to reinforce our technology-first position
- Each innovation advancing our EPIC vision of Electric, Intelligent, and Sustainable mobility

ASPICE Level-2 certified

Demonstrates our commitment to quality and reliability in software-driven mobility solutions

CES 2025

Demonstrating mobility technology prowess

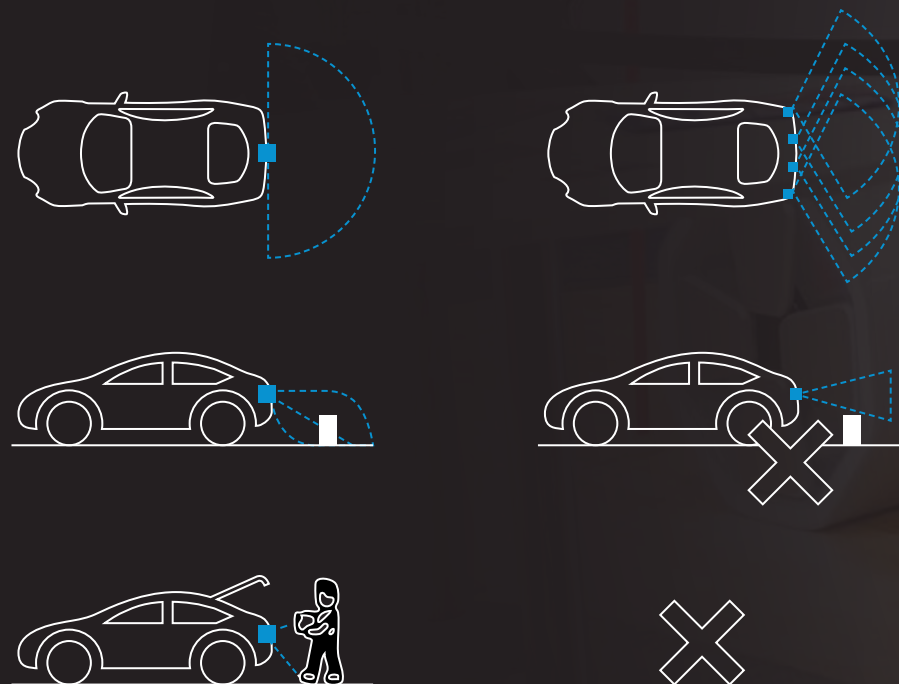
We participated in the world’s most preeminent technology event, the Consumer Electronics Show (CES) for the first time to showcase our sensor technologies, EV components and driveline innovations. With a focus on efficiency, safety and customer needs, the technologies presented at CES 2025 align with our commitment to building a sustainable and technologically advanced mobility ecosystem.

We showcased our breakthrough short-range radar sensor, which replaces four ultrasonic sensors and provides a 180-degree field of view to improve safety by offering more efficient parking assistance and collision warning. It also reduces the system cost for OEMs, making it useful for affordable passenger vehicles and even two-wheelers.

180-degree view
Radar Sensor

vs.

Ultrasonic
Sensor



We showcased our breakthrough short-range radar sensor, which replaces four ultrasonic sensors and provides a 180-degree field of view to improve safety by offering more efficient parking assistance and collision warning. It also reduces the system cost for OEMs, making it useful for affordable passenger vehicles and even two-wheelers.

We also displayed our High-Voltage Motor Inverter, designed for light electric vehicles, which improves energy efficiency and performance. Our Electronic Locking Differential Assembly for SUVs is engineered to provide improved traction and vehicle control in challenging conditions.



BEYOND BOUNDARIES

Looking east with a sharp focus

Aligned with our diversification strategy, we are expanding our focus beyond our prominent markets in North America and Europe. We are actively seeking opportunities in the fast-growing markets of Asia, specifically India, China, and the rest of Asia. Although Asia represents more than half of the global automotive production, our current share is relatively small.

North America and Europe are mature markets with stagnant car sales volumes but a rich model mix, offering opportunities to component suppliers to grow by gaining a higher share of the content value. In addition to growing market shares in North America and Europe, we will increase our focus on Eastern markets, particularly India, China, Japan, and Korea. This may necessitate adaptations to our operating model, including the possibility of forming joint ventures or alliances. By concentrating more on these Asian markets, we aim to achieve a balanced geographical diversification in our revenue.



APPROACH TO ESG

Empowering planet, people and society

At Sona Comstar, our ESG strategy is deeply integrated with our core business, governance, and long-term vision. Guided by a Board-approved ESG Committee, we take a disciplined, goal-oriented approach-tracking performance, course-correcting when needed, and ensuring accountability at every level.

While we continue to drive towards a low-carbon future by building clean and sustainable mobility solutions, we are equally focused on empowering our people and enriching communities. Our initiatives span across clean mobility, environmental stewardship, inclusive education, health, gender equality, and skills development. Every programme is aligned with our six CSR pillars, national priorities, and the UN Sustainable Development Goals, creating measurable outcomes in employability, sustainability, and technology access.

ESG progress dashboard

Environment and sustainability

Goals

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



Recognition

Pune's Chakan Plant has been rated by IGBC in the Green Factory Building category with 'IGBC Gold' Rating

Social

Goals

Employee health and safety

Company-level:

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

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 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



Recognition

Re-certified as Great Place to Work in 2025

Received CSR Times - Bronze Award

Governance

Goals

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



Recognition

Received Certificate of Appreciation for Excellence in Corporate Governance by ICSI

ENVIRONMENT STEWARDSHIP

A commitment for a green future

We prioritise environmental stewardship and continuously assess the ecological impact of our operations. With the ISO 14001:2015 Environmental Management System in place, we focus on key areas such as energy efficiency, renewable energy adoption, emissions reduction, water management and waste minimisation.

Energy management

Our energy policy focuses on optimising energy demand through innovative projects, including the installation of solar power capacity across our facilities. We have implemented the ISO 50001:2018 Energy Management System (EnMS) across all plants, leading to further reduction in energy intensity per rupee of turnover.

For utilisation of alternate sources of power, we harnessed 13,639 GJ from our roof top solar installations, which is approx. 3.5% of our total energy consumption during the financial year 2024-25.

Apart from onsite roof top solar installation, we have executed definitive documents with CleanMax for setting up captive power generating facility in Haryana and Maharashtra,

having solar capacities of 14.85 MWp and 4.00 MWp, respectively. Moreover, we are planning to set up a 2.5 MWp group captive power-generating facility at our Chennai plant.

3.5%

Energy consumption through renewable energy sources

18.85 MWp

Total solar group captive capacity

Emission management

We are deeply committed to reducing our greenhouse gas emissions as part of our broader sustainability efforts. Our primary source of emissions is Scope 2, stemming from electricity consumption, which accounts for 77% of our total energy use. To mitigate this, we focus on improving energy efficiency and increasing our use of renewable energy. Through innovative technologies and continuous monitoring, we are actively working to lower our carbon footprint, contributing to global climate change efforts while ensuring a sustainable future. These targeted efforts have driven a 5% reduction in nitrogen oxide (NOx) emissions and 42% reduction in

particulate matter (PM) generation, contributing significantly to improved air quality and employee health.

In FY 2024-25, we achieved 2% further reduction in emissions intensity, demonstrating our ongoing dedication to reducing our environmental footprint, even amidst operational growth.

42%

Reduction in particulate matter (PM) generation in Gurgaon plant

Water management

Our focus is on responsible water usage and efficient management across our operations. We have implemented key initiatives such as Zero Liquid Discharge (ZLD) plants and effluent treatment plants (ETPs) to reduce water consumption and improve recycling rates.

Despite the increase in overall water consumption, these improvements reflect our commitment to sustainability. We have invested in technologies, including a ZLD plant with a capacity of 50,000 litres per day, to recycle wastewater in the manufacturing process, ensuring the efficient reuse of water while minimising discharge.

These efforts contribute to our long-term goal of responsible water management.

4R principle

- Reducing water use
- Reusing wastewater
- Recycling wastewater
- Repurposing treated water

ENVIRONMENT STEWARDSHIP



Waste management

We are committed to sustainable waste management, focusing on reducing, recycling, and responsibly disposing of hazardous and non-hazardous waste. Guided by our Environmental Management Policy, we implement efficient practices such as recycling waste oil, reusing ETP sludge, and ensuring safe disposal through certified vendors. We continue to reduce waste intensity and enhance recycling efforts across all sites.

In FY 2024-25, we successfully recycled/reused 20,863 metric tonnes of waste, upholding our goal of minimising landfill disposal and promoting a circular economy. Our approach includes ongoing employee training and adherence to best practices, ensuring that every facility prioritises waste reduction and responsible management.

97%

Of Waste is recycled/reused

Sustainable supply chain

We embed sustainability and ethical integrity into every level of our supply chain. Our Procurement Policy balances cost, quality, and delivery with responsible sourcing practices, guided by our Green Procurement Guideline. Supplier evaluations integrate 12 ESG-related metrics out of a total of 41, requiring a minimum 75% score for qualification, ensuring alignment with our standards on human rights, labour practices, and business ethics. Through structured audits, risk assessments, and tiered evaluation systems, we promote continuous improvement

and transparency. Regular capacity-building sessions and sustainability workshops further strengthen supplier performance, while our preference for local vendors supports community development and resilience.



CASE STUDY

Restoring balance with nature: A Miyawaki forest at NSG Manesar

As part of our CSR commitment to environmental restoration and community development, Sona Comstar initiated a large-scale afforestation project at its NSG Manesar site using the Miyawaki method. The objective was not just reforestation but ecological transformation — to enhance biodiversity, improve air quality, and leave a regenerative impact for the future.

Project goals

- **Ecological regeneration:** Improve soil quality, enhance biodiversity, and contribute to local air purification
- **Community empowerment:** Generate employment, build capacity through conservation training, and promote environmental awareness
- **Responsible execution:** Ensure transparency in implementation and impact measurement with a clear maintenance roadmap

4

Plots to be assigned for the plantation of the species and native plants

25.7k

Native species to be planted on the site

20k

Bambusa Balcooa species to be planted on the site

45,767

Total saplings planted

Implementation strategy

The project began with a thorough soil and site assessment to determine optimal planting conditions, followed by securing all necessary regulatory approvals from local authorities. The land was then enriched and tilled to support healthy root development. To ensure water efficiency, the team installed a drip irrigation system and borewells and adopted water-conserving planting techniques tailored to the site's needs. A protective perimeter fence was also installed to safeguard the young saplings from external disturbances, ensuring favourable conditions for long-term growth.

Using the CVSP Miyawaki method, the forest delivers:

- **Rapid growth:** Trees grow 10x faster than traditional afforestation methods
- **Carbon sequestration:** Helps absorb and store CO₂ effectively with microclimate improvement

- **Urban greening:** Ideal for limited spaces like urban and industrial zones, reducing heat and improving air quality
- **Low maintenance:** Once established, the forest is self-sustaining with minimal upkeep
- **Boosted biodiversity:** Diverse native species support a resilient ecosystem

Long-term vision

A dedicated three-year maintenance plan is underway to ensure survival, growth, and self-sufficiency of the planted forest by FY 2026-27 with a target survival rate of 92%. The project reflects our commitment to building climate-resilient ecosystems and supporting local livelihoods while setting a benchmark for sustainable CSR practices in the manufacturing sector.

SOCIAL – PEOPLE

Fostering a safe and inclusive workplace

Our people are the foundation of our success and the driving force behind our vision to be a leading global mobility technology company.

We are committed to creating a safe, inclusive, and performance-driven workplace that fosters respect, merit, growth, and well-being, empowering every employee to thrive and contribute meaningfully to sustainable and responsible growth.

Building a future-ready workforce

Long-term business sustainability depends on the strength and adaptability of our people. We are committed to developing a resilient workforce through continuous talent development, open communication, and strategic workforce planning. In a rapidly changing social, economic, and technological landscape, we rely on data-driven KPIs to guide our HR decisions.

Our succession planning ensures leadership continuity and aligns talent strategy with business goals, minimising risk and securing our future growth.



Diversity and inclusion

At Sona Comstar, we are committed to building an inclusive workplace that values diverse genders, religions, ethnicities, and educational backgrounds. Diversity is embedded in our code of conduct and seen as essential to driving innovation, creativity, and strong decision-making. We actively work toward gender balance across all levels, including leadership, and support professional growth through a transparent remuneration policy aligned with our long-term business goals.

6.3%

Women participation in total workforce



Training and skill development

We view continuous learning as essential to individual growth and long-term business success. Our approach to training and development is structured, role-specific, and competency-driven, covering technical, compliance, and behavioural areas. We empower employees across all levels, including the board and key managerial personnel, through targeted capacity-building programmes designed to strengthen skills, enhance productivity, and reinforce our culture of compliance.



Performance review and career development

We conduct comprehensive annual performance reviews and career development evaluations for all employees, reinforcing our commitment to continuous growth. A structured appraisal matrix, aligned with our remuneration policy, is applied consistently across all levels, including key managerial personnel. Performance outcomes inform salary adjustments and incentives, reviewed by the Nomination and Remuneration

Committee. Permanent employees are part of a variable pay scheme linked to individual KRAs and business performance, with additional terms defined through collective bargaining agreements. We also invest in leadership development through the Visionary Leadership for Manufacturing (VLFM) program, building a strong talent pipeline to support long-term growth.

SOCIAL – PEOPLE

Employee wellness and growth

We view employee well-being as essential to building a resilient and high-performing organisation. Our holistic approach combines physical and mental health initiatives with meaningful engagement programmes to create a supportive and connected workplace. In partnership with renowned healthcare service providers, we also organise free health checkup camps to ensure our employees have easy access to essential health screenings and preventive care. From health talks, yoga sessions, and sports activities to engaging initiatives like Fun Fridays, employee magazines, and photography contests, we promote balance and fulfilment. We recognise

long-serving employees, celebrate milestones, and reward exceptional performance through structured recognition programmes. These efforts strengthen team bonds, boost morale, and foster a culture of collaboration, ownership, and continuous improvement.



Recertified as Great Place To Work® with a higher score than previous year

Occupational Health and Safety (OHS)

At Sona Comstar, safety is integral to our operations. We maintain a strong safety culture through proactive risk mitigation, real-time monitoring, and compliance with global standards like ISO 45001. Senior leadership drives the implementation of comprehensive safety policies, supported by HIRA procedures, Lockout Tagout (LOTO) protocols, and quarterly mock drills. All facilities are regularly audited, with safety training covering emergency response, hazardous waste, electrical safety, and fire preparedness.

Technology and training are central to our zero-harm vision. IoT-based sensors and smart cameras are deployed to monitor unsafe conditions in real time. All shopfloor employees undergo DOJO 8-step safety training, and

ongoing awareness sessions reinforce compliance with policies such as POSH, anti-corruption, and whistleblower protection. Our unwavering dedication to upholding the highest Occupational Health and Safety (OHS) standards is demonstrated by achieving a Zero Lost Time Injury Frequency Rate (LTIFR) in FY 2024-25. Our safety-first approach strengthens operational resilience and ensures a secure environment for employees, contractors, and partners.

ZERO

Lost Time Injury Frequency Rate (LTIFR) in FY 2024-25

Respecting human rights

We are committed to upholding human rights and fostering a safe, inclusive, and equitable workplace. As an equal opportunity employer, we maintain a zero-tolerance policy towards discrimination, harassment, and unfair treatment, reinforced through mandatory training, strict codes of conduct, and transparent grievance redressal systems. Our POSH policy, overseen by an Internal Committee, ensures swift action on complaints, though no such incidents were reported in the year.

We are committed to upholding employee rights to freedom of association and collective bargaining, ensuring a collaborative and respectful work environment. Through regular human rights training covering non-discrimination, child and forced labour, and workplace ethics, we reinforce our commitment to ethical practices. Our comprehensive policies on occupational health and safety, whistleblower protection, and compliance audits further strengthen our dedication to lawful and responsible growth.

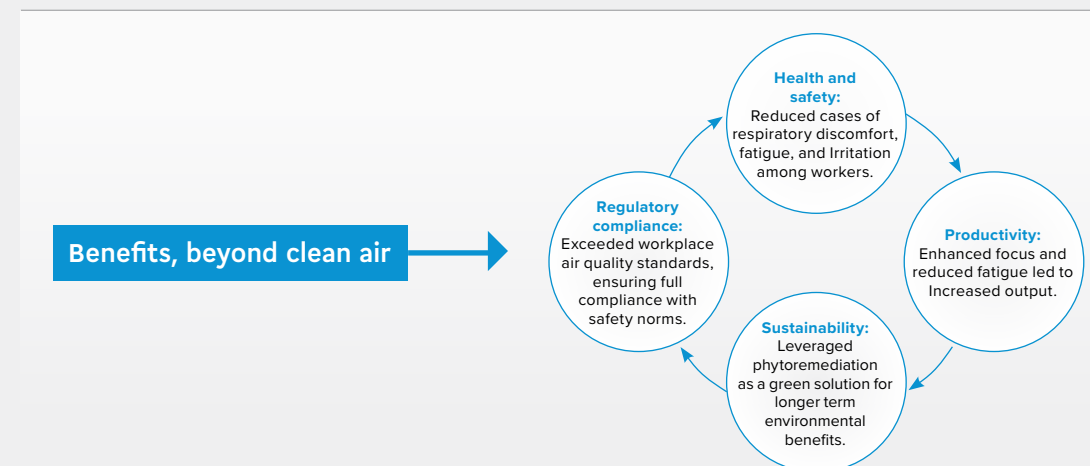


CASE STUDY

Cleaner air, safer workplace

At Sona Comstar, we prioritise a safe and healthy workplace as a key aspect of sustainability. In our Tool & Die shop's EDM (Electrical Discharge Machining) section, we identified air quality issues caused by machining-related

pollutants. Committed to workforce well-being and compliance with air quality standards, we launched a project to improve air quality by reducing key pollutants, including carbon monoxide (CO).



We are committed to clean air

Our commitment to cleaner air involves actively reducing CO levels to enhance worker safety and health by mitigating the presence of this harmful gas.

Condition	Carbon Monoxide (ppm)
Before	80
After	1.32
Target	< 9 (WHO Standard)

Our approach towards solving the air quality issues

Three-stage air purification approach	Implementation	Results
Air filtration system Target pollutants: PM 2.5 and large particles Details: Installed HEPA filters to trap fine particles, providing a solid defense against airborne debris	Baseline assessment Indicated higher than desired levels of CO and other pollutants	A reduction of 98% in Carbon Monoxide levels results in enhanced worker health and safety.
Air ioniser Target pollutants: Carbon Monoxide (CO), TVOCs Details: Neutralised harmful gases and particles through ionisation, ensuring a safer and odour-free environment	System design and configuration The air purification system was customised to fit the EDM section's layout, ensuring maximum coverage.	
Phytoremediation water curtain Target pollutants: CO, TVOCs, and residual gases Details: Combined natural air purification using plants with a water curtain to absorb pollutants sustainably	Equipment installation Strategically installed HEPA filters, air ionisers, and the phytoremediation water curtain for optimal impact.	
	Real-time monitoring Deployed air quality sensors to track pollutant levels and calibrate the system accordingly	

SOCIAL - COMMUNITIES

Enabling a wider social impact

Our CSR strategy has been designed to undertake focused interventions across core social priorities – education, environmental stewardship, livelihood development, skills training, and economic empowerment. These initiatives foster resilience and sustainability among disadvantaged and underserved communities. Guided by our CSR policy, we allocate CSR spending strategically to maximise impact across our focus areas.

INR 97 mn

Amount spent and committed towards CSR initiatives during FY 2024-25

Exemplary Rating

Awarded by Bluesky Sustainable Business

CSR initiatives

CSR Pillar	Programme details	Projects	Linkage to UN SDGs
Pillar 1: Sona Comstar - Samridh Bharat Programme	Supporting entrepreneurs and innovators who create safe, convenient, and clean mobility solutions. - Provides funding, resources, infrastructure, and expertise to foster innovative solutions - Conducts an annual selection process through a specific application procedure - Innovators retain ownership and the right to use intellectual property from their innovation	Driving tech-led employability through the Innovation in Mobility Programme – FITT, IIT Delhi Supported four early-stage mobility-tech startups focused on EV infrastructure and hydrogen energy. - Enabled potential job creation for 100+ people, especially in Tier II/III cities - Catalyzed commercialisation of deep-tech solutions - Achieved estimated CO₂ savings of over 16,500 tonnes/year from a single project Accelerating deep-tech innovation through CIIE, IIM Ahmedabad Supported two startups addressing critical needs in healthcare, diagnostics, and mobility. - Delivered healthcare solutions for rural women and space-tech innovations for ISRO - Advanced hydrogen mobility and scalable models for underserved communities - Promoted inclusive, sustainable tech for remote areas	
Pillar 2: Sona Comstar - Swasth Bharat Programme	Prioritising healthcare and nutrition to improve overall well-being and healthcare services, ultimately contributing to a healthier and more prosperous society. - Promotes health education among socially disadvantaged groups, schoolchildren, and communities - Enhances the quality of healthcare and nutritional support provided to the people of India	We did not have any projects under this pillar during the year.	

SOCIAL - COMMUNITIES

CSR Pillar	Programme details	Projects	Linkage to UN SDGs
Pillar 3: Sona Comstar - Stree Shakti Bharat Programme	Empowering women by promoting education, employment opportunities, and vocational skill development. - Promotes education for women - Provides opportunities for employment - Enhances vocational skills with a focus on women	Advancing women in STEM through targeted scholarships Supported 15 women students from underprivileged backgrounds with 25%–100% scholarships in STEM fields. - Empowered career aspirations in technology, healthcare, and sustainability - Promoted gender equity in high-impact, future-ready sectors	
			
Pillar 4: Sona Comstar - Swachh Bharat Programme	Promoting environmental sustainability and ecological balance through responsible waste management, conservation, and access to clean resources. - Reduces waste and promotes recycling - Conserves natural resources such as water and forests - Combats environmental degradation by reducing pollution and protecting wildlife habitats - Promotes clean and safe waste disposal practices to maintain ecological balance - Provides clean drinking water facilities in schools to support student health and well-being	Improving hygiene and access through school sanitation in Tamil Nadu Benefitted 5,570 students - including 3,215 girls - across eight government schools. - Built and maintained sanitation infrastructure - Enhanced student well-being, dignity, and school attendance, especially for adolescent girls Promoting environmental sustainability through afforestation in Manesar Planted 45,767 saplings across 14 acres under the Go Green initiative with Catch Foundation. - Achieved 85% survival rate: 92% target in progress - Tackled biodiversity loss and groundwater depletion by removing invasive species	
			

CSR Pillar	Programme details	Projects	Linkage to UN SDGs
Pillar 5: Sona Comstar - Saksham Bharat Programme	Creating a healthy, inclusive, and dignified learning environment by supporting essential hygiene infrastructure and practices, especially for girls. - Supports the development of appropriate health and hygiene behaviors through improved facilities - Addresses dropout risks by ensuring gender-separated, private, and safe toilets for girls - Enhances safety, privacy, and dignity, creating a conducive environment for girls' education - Has supported schools in Tamil Nadu since 2015 through ongoing water, sanitation, and hygiene initiatives - Identifies a few schools annually and provides continued support over the years	Fostering holistic child development through ISKCON scholarships – BGIS, Vrindavan Provided full academic and residential support to 36 students (Classes 3–11). - Improved academic performance, leadership, and life skills - Nurtured confidence, discipline, and social responsibility Driving digital inclusion through Youthreach Digital Literacy Centres Established centres in Gurugram and Manesar, offering NIIT-certified training at subsidised rates (INR 150/month). - Trained 200+ beneficiaries, including women and working adults - Enabled access to employable digital skills Enhancing employability through Tata STRIVE Skill Development Centre – Chennai Delivered vocational training in Business Development, CNC Machining, and Front Office operations. 243 enrolled 211 certified 153 placed - Provided female-friendly hostel accommodation and soft skills support to boost retention and job readiness	
	 		
Pillar 6: Sona Comstar - Surakshit Bharat Programme	Prioritizing the welfare of armed forces veterans, war widows, and their dependents through targeted support and assistance. - Supports organisations dedicated to assisting families of martyrs, war widows, and disabled soldiers - Provides aid to the children and dependents of armed forces personnel - Contributes to the security and welfare of these individuals and their families	We did not have any projects under this pillar during the year.	

GOVERNANCE

Ensuring integrity and accountability

At Sona Comstar, we uphold the highest standards of corporate governance, ensuring transparency, ethical conduct and robust compliance. Our focus on statutory, regulatory and ethical compliances, data privacy, cybersecurity, and risk management strengthens the trust our stakeholders place in us. By upholding these principles, we aim to drive long-term value, foster a culture of accountability, and create sustained value for our stakeholders.

Key highlights FY 2024-25

6 out of 9
Directors

are Independent Directors

4 out of 5
Statutory Committees

are chaired by Independent Director

Chairman of the Board is an Independent Director w.e.f. 23rd June 2025.

Recognitions



'Certificate of Appreciation for Excellence in Corporate Governance' by the Institute of Company Secretaries of India (ICSI)



CSR Times Award – Bronze

67%

Independent Directors

22%

Women - Independent Directors

80%

Board meeting attendance

88%

Board Committee's meeting attendance

Governance goals aligned with the United Nations Sustainable Development Goals (SDGs)

- 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 and Sexual Harassment
 - b) For the promotion of Human Rights, Diversity & Inclusion, Fair Labour Practices, Freedom to Associate & Collective Bargaining, Data Privacy and other Corporate Social Responsibility issues
 - c) Encouraging the Company's supply chain partners to promote Human Rights and the ethical issues mentioned in points (a) and (b) above
- Developing a culture of compliance and ensuring adherence to all applicable laws and regulations within the organisation, while also encouraging the Company's supply chain partners to build a similar culture of compliance
- Implementing of data privacy framework across the group and conducting awareness sessions on data privacy compliance.
- Improving Corporate Governance practices by benchmarking against the best-governed companies

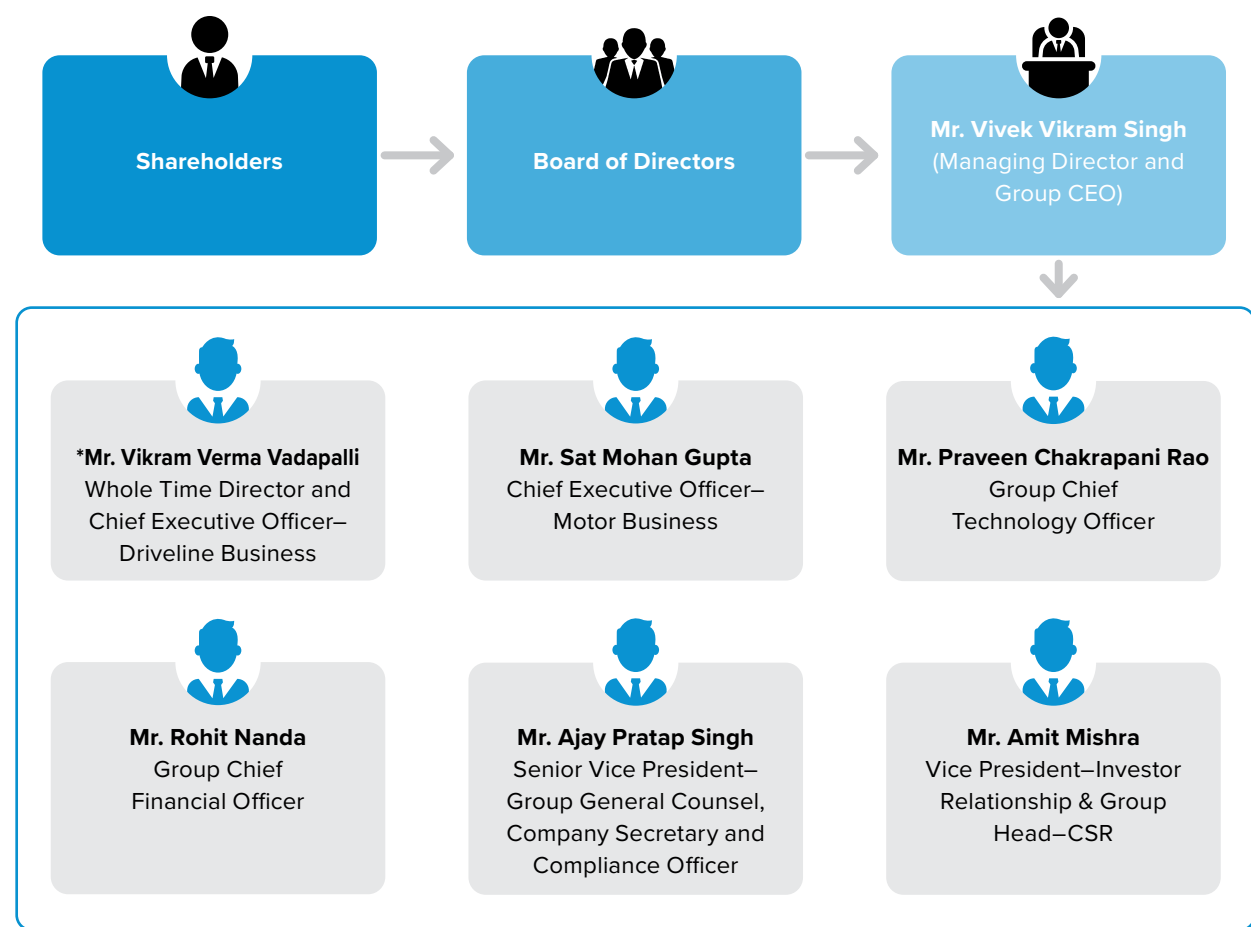
GOVERNANCE

Corporate philosophy

Centred around continuous improvisation of governance standards, we prioritise equitable and transparent management, underpinned by steadfast dedication with accountability and openness across all financial and non-financial performance metrics. Corporate governance at Sona Comstar transcends the boundaries of statutory compliances. By integrating governance into our decision-making processes, we ensure that our actions reflect our core values, mitigate risks effectively, and consistently deliver high standards of performance.



Our multi-tier governance structure



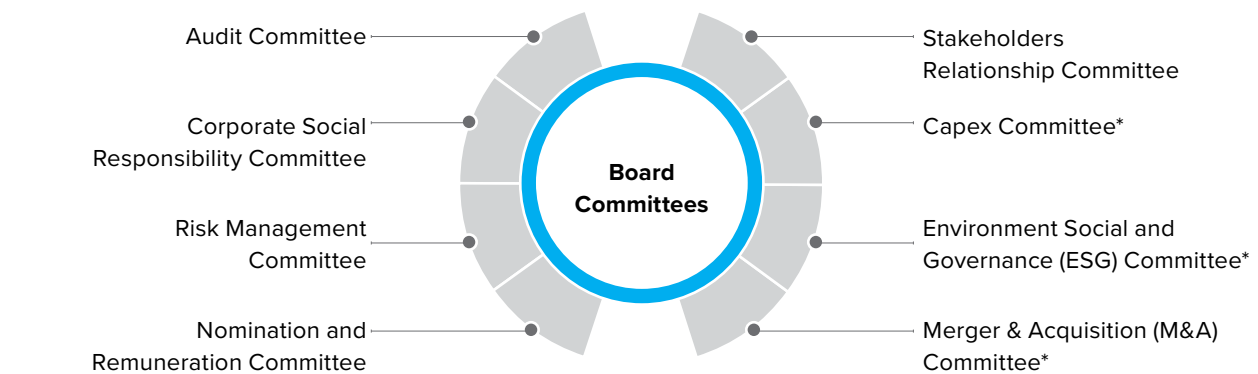
*Appointed as the Whole Time Director of the Company w.e.f. 24th January, 2025.

Board Skills

Name of Directors	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
Mr. Sunjay Kapur*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vivek Vikram Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vikram Verma Vadapalli	✓	✓	✓	✓	✓	✓	-	✓	✓
Mrs. Shradha Suri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jeffrey Mark Overly	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Manisha Girotra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Pradip Manilal Kanakia	✓	✓	✓	✓	-	✓	✓	✓	✓
Mr. Karamendra Daulet Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vineet Mittal	✓	✓	✓	✓	-	✓	✓	✓	✓
Mrs. Priya Sachdev Kapur ^	✓	✓	✓	✓	-	✓	-	-	-

* Mr. Sunjay Kapur ceased to exist as a director due to his unfortunate demise on 12th June, 2025.
^ Mrs. Priya Sachdev Kapur, appointed as Non-Executive Director of the Company, w.e.f. 23rd June 2025.

Board Committees and meeting attendance



* Non Statutory Committees

Committee	Meetings held	Attendance Rate (%)
Audit Committee	6	90%
Nomination and Remuneration Committee	5	75%
Corporate Social Responsibility Committee	4	81%
Stakeholders Relationship Committee	4	83%
Risk Management Committee	2	88%
Environment, Social and Governance Committee	1	100%
Capex Committee	3	100%

GOVERNANCE



Ethical policies and governance framework

The Company has adopted a comprehensive framework of policies aimed at fostering a strong ethical culture and ensuring regulatory compliance across its operations.

Anti-bribery and Corruption Policy

Anti-money Laundering Policy

Anti-trust Policy

Code of Conduct for Prohibition of Insider Trading

Data Protection and Privacy Policy

Policy on Prevention of Sexual Harassment at Workplace

Code of Conduct and Business Ethics

Fair Work Practices Guidelines

To further enhance transparency and accountability, the Company has implemented a **Whistle Blower Mechanism**, which is subject to periodic monitoring and reporting. In alignment with its commitment to responsible business practices, the Company has also introduced

a **Code of Conduct for Vendors** and an ethical policy framework for its value chain partners.

Regular training and awareness sessions are conducted on ethical issues e.g. Anti-bribery and corruption, Anti-money laundering, Anti-Trust issues and Trade Sanctions by international reputed law firms/counsels, for employees, workers, and directors to ensure effective implementation and adherence.

E-modules on ethical compliance

In pursuit of better governance and Business Ethics, the Company has implemented mandatory e-module training on the Code of Conduct, Prevention of Sexual Harassment, Prohibition of Insider Trading, Competition/Anti-Trust Law and Health & Safety, for the employees. The Company has successfully replicated its ethical and compliance framework in its newly acquired Railway Business and is focusing on the training and awareness sessions.

Atleast80%

Passing score in the Assessment Test

Code of Conduct for Board and Senior Management

The Company's Code of Conduct for Board and Senior Management, serves as a foundational element of its Corporate Governance framework, emphasizing ethical leadership and responsible management. It is designed to:

Enhance the governance standards

Serve the interests of all stakeholders

Instil pride in association with the Company

The Code calls upon the Board of Directors and Senior Management to uphold the interests of the Company and its stakeholders, and to fulfil all regulatory and governance responsibilities both in letter and spirit. It provides clear guidance and principles to ensure that the affairs of the Company are managed in a fair, transparent, and accountable manner, reinforcing trust and integrity at every level of leadership.



Cyber security framework and data privacy framework

The Company has implemented a comprehensive Cyber security and Data Protection Framework across all its locations. This framework ensures the highest standards of data protection and has been recognised with the prestigious ISO 27001 certification.

The Company is maintaining utmost confidentiality of the Personal Sensitive Information (PSI) of its employees, directors, vendors, customers and other stakeholders. The Company has further strengthened 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 all its locations.



Succession planning

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

GOVERNANCE



Sunjay Kapur*
Chairman Emeritus

2 3 5 6 7 8

Board of Directors

As of 31st March 2025, the Board comprised of nine (9) directors, including six (6) independent directors (including two [2] women independent directors), two (2) executive directors, and one (1) non-executive director.

The Board reflects diversity across experience, perspectives, skill sets, gender, industry background, and domain expertise. This diversity enables constructive deliberations and supports effective, well-informed decision-making.



Jeffrey Mark Overly#
Chairperson and Independent Director

1 2 4 5 6 7



Shradha Suri
Independent Director

2 3



Manisha Girotra
Independent Director

2 3 5 8



Pradip Manilal Kanakia
Independent Director

1



Karamendra Daulet Singh
Independent Director

1 2 4



Vineet Mittal
Independent Director

6



Priya Sachdev Kapur@
Non-Executive Director

4 5 6 8



Vivek Vikram Singh
Managing Director & Group CEO

Board Committees

- Audit
- Nomination and Remuneration
- Corporate Social Responsibility
- Stakeholders Relationship
- Risk Management
- Environment Social and Governance
- Capex
- Merger and Acquisition (M&A)

● Chairperson ● Member

All of the above Committees' positions are as on 31st March, 2025.



Vikram Verma Vadapalli
Whole Time Director and CEO of Driveline Business

*Mr. Sunjay Kapur ceased to exist as a director due to his unfortunate demise on 12th June, 2025. In recognition of his unparalleled contributions and enduring impact, the Board of Directors unanimously designated Late Mr. Sunjay Kapur as 'Chairman Emeritus' of the Company posthumously.

#Mr. Jeffrey Mark Overly, appointed as Chairperson of the Board of the Company w.e.f. 23rd June 2025.

@Mrs. Priya Sachdev Kapur, appointed as Non-Executive Director of the Company, w.e.f. 23rd June 2025.

GOVERNANCE

Leadership Team



Vivek Vikram Singh
Managing Director & Group CEO



Vikram Verma Vadapalli
Whole-Time Director and CEO
Driveline Business



Sat Mohan Gupta
CEO, Motor Business



Rohit Nanda
Group CFO



Praveen Chakrapani Rao
Group CTO

Statutory reports

- 86 Management Discussion and Analysis
- 94 Board's Report
- 113 Corporate Governance Report
- 192 Business Responsibility and Sustainability Report

Financial statements

- 240 Standalone
- 316 Consolidated

394 AGM Notice

Management Discussion and Analysis

INDUSTRY OVERVIEW

In calendar year (CY) 2024, global automobile sales continued their upward trajectory, albeit at a moderated pace following the strong recovery in CY 2023. According to S&P Global Mobility, total global light vehicle sales reached approximately 88.2 million units in CY 2024, reflecting a 1.7% increase over the previous year. This growth was primarily driven by stabilising supply chains and sustained consumer demand. Major markets, including North America, Europe, and Asia, exhibited mixed growth patterns while navigating challenges such as geopolitical uncertainties, elevated vehicle prices, and evolving electrification policies.

Despite persistent global headwinds, including the prolonged Russia-Ukraine conflict, the Red Sea crisis, elevated interest rates, and macroeconomic uncertainties, North America and Europe recorded modest sales growth. In North America, U.S. light vehicle sales volumes are estimated to have reached 16.2 million units in CY 2024, marking the strongest performance since the pre-pandemic era, supported by inventory restocking and improved production. In Europe, Western and Central markets delivered just under 15.0 million units, reflecting the impact of recessionary risks, tighter credit conditions, easing pent-up demand, sustained high car prices, and tapering EV subsidies. The Asian market, led by China, remained strong, fuelled by aggressive New Energy Vehicle (NEV) incentives and a trade-in scheme.

The global push for electrification persisted, with global EV sales reaching 17.5 million units, accounting for 22% of global light vehicle sales, according to the International Energy Agency (IEA). China led the charge, with NEV penetration rising to 48% of passenger vehicle sales, bolstered by tax exemptions and declining battery costs.

In India, the passenger vehicle market achieved a historic milestone in domestic sales. According to the Society of Indian Automobile Manufacturers (SIAM), domestic passenger vehicle sales reached an all-time high of 4.3 million units in FY 2024-25, driven by the launch of new models featuring advanced technologies and modern design, which resonated with evolving consumer aspirations. Conversely, the domestic commercial vehicle segment experienced a decline, with total sales of 0.96 million units. Tractor demand remained stable, despite challenges such as uneven monsoon patterns and a slight decline in export markets. The Tractor Manufacturers Association (TMA) reported consistent demand for agricultural equipment, supported by government subsidies and resilient rural markets.

Overall, the global automotive industry demonstrated resilience in 2024, overcoming affordability concerns, high interest rates, and geopolitical tensions. The normalisation of supply chains, coupled with strong NEV growth in Asia

and sustained demand in emerging markets such as India, supported the sector’s continued recovery. However, the recent imposition of tariffs by the U.S. administration on automotive and component imports poses a potential risk to global demand recovery in 2025.

COMPANY OVERVIEW

Sona BLW Precision Forgings Limited (Sona Comstar) is one of the world’s leading mobility technology companies. It designs, manufactures, and supplies highly engineered, mission-critical, high-quality, complex, and bespoke systems and components for global OEMs in electrified, personalised, intelligent, and connected mobility.

Incorporated in 1995 as Sona Okegawa Precision Forgings, a joint venture between Sona Group and Mitsubishi Materials, the Company pioneered precision-formed bevel gears technology in the Indian automotive market. It later acquired ThyssenKrupp’s precision forging business, BLW, which was the inventor of this technology, and renamed itself Sona BLW Precision Forgings Limited. In 2019, the Company acquired Comstar Automotive, adding motor capabilities and established a new brand identity: Sona Comstar. In 2023, it further expanded its capabilities by acquiring a majority stake in NOVELIC, adding expertise in sensors and software.

Last year, Sona Comstar updated its vision statement to broaden its focus beyond the automotive sector, and since then, it has been exploring broader mobility areas. This year, it took a significant step in this direction by signing an agreement to acquire the Railway Equipment Division of Escorts Kubota Limited, marking its entry into the railway sector; transaction since then has been closed on 1st June 2025.

Headquartered in Gurugram, India, Sona Comstar is a leading supplier to the rapidly expanding global EV market, with 36% of its revenue generated from EV market. It is also a global supplier with 12 manufacturing and assembly facilities across India, the USA, Mexico, and China, and 71% of its sales are for international markets. Its revenue base is well diversified across geographies, products, vehicle segments, and customers.

An innovation-driven organisation, Sona Comstar develops and delivers mechanical, electrical, and electronic systems and components, as well as automotive software and semiconductor chip design services across diverse mobility applications. The Company aspires to become one of the world’s most respected and valuable mobility technology companies, for its customers, employees and shareholders.

BUSINESS PERFORMANCE

In FY 2024–25, Sona Comstar reported a 12% year-on-year increase in revenue, with EBITDA and net profit

growing by 8% and 16%, respectively. This growth was primarily driven by the initiation and ramp-up of several new programmes. The existing business experienced marginal growth due to persistent global industry challenges throughout the year. The commercial vehicle segment was impacted by a slowdown in infrastructure activities, largely attributable to India’s general elections and the subsequent government transition. Despite these challenges, the Company delivered a strong performance in the electric two-wheeler and three-wheeler segments, even after the discontinuation of the FAME-II subsidy scheme.

Sona Comstar’s consistent growth reflects its disciplined execution of four strategic priorities: electrification, global market significance, diversification, and technology.

Electrification

Revenue from battery electric vehicle (BEV) programmes grew by an impressive 38% year-on-year, reaching nearly INR 12,235 million. BEV-related products now contribute 36% of the Company’s total product revenue, up from 29% in the previous fiscal year.

During the year, Sona Comstar secured four new EV programmes and added two new EV customers. Notable programme wins included:

- A final drive differential assembly with intermediate gears and park gear for a North American new-age OEM of electric commercial vehicles
- The Company’s first order for the in-cabin mmWave Radar Sensor (ACAM) from a new-age Asian EV OEM
- A differential sub-assembly and epicyclic gear train for a North American new-age OEM of electric passenger vehicles

These wins underscore the Company’s technical capabilities in delivering advanced solutions across diverse mobility applications.

Global market significance

In CY 2024, the Company increased its global market share in legacy products, with differential gears rising to 8.8% and starter motors to 4.4% in CY 2024, up from 8.1% and 4.2%, respectively. Revenue growth during the year was largely driven by the execution of INR 31 billion worth of orders from the existing order book. Additionally, the Company secured 32 new programmes and onboarded seven new customers, contributing INR 47 billion to its ten-year net order book. Hence, after the net addition of INR 16 billion rupees, our ten-year net order book stands at INR 242 billion. *(Net order book means the aggregate revenue from awarded programmes, which are either yet to start production or fully ramp up in the next 10 years, after adjusting for the negative impact of all programmes 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 programme launches that may happen in the future.)*

Diversification

Our revenue remains well-diversified across powertrain, geographies, products, and market segments. In terms of powertrain, during FY 2024-25, our revenue share from battery EV products increased further and stood at 36% of the product revenue, followed by power source neutral (34%), micro-hybrid/hybrid (21%), and ICE dependent (9%).

Our geographic revenue mix remained mostly similar to the previous year, with North America remaining our largest market, accounting for 41% of total revenue, followed by India (29%), Europe (24%), Asia (6%) and the rest of the world (0.3%).

In terms of products, the revenue share of differential assemblies and traction motors & controllers increased during the year. However, overall differential gears still remained the biggest contributor with 29% of revenue, followed by differential assemblies (27%), micro/ plug-in hybrid starter motors (21%), conventional starter motors (9%), traction motors & controllers (8%). The remaining revenue came from other drivetrain parts, sensors and software, and miscellaneous products. We also commenced the production of Suspension Motor (Integrated Motor Controller Module) during the year, and it is expected to contribute increasingly to the revenue in the coming years.

In terms of market segments, the revenue distribution between automotive and non-automotive remained consistent with the previous year, with passenger vehicles remaining our largest market with 71% of our revenue, followed by commercial vehicles (11%), non-automotive (9%), electric two/three-wheelers (8%), and semiconductors & embedded software (1.3%).

Technology

On the technology front, during FY 2024-25, we made significant developments in our product portfolio, which aligns with our focus on the E.P.I.C. mobility landscape. During the year, we commercialised three new products. Two of these – In-cabin Sensors for child presence detection and Zone Monitoring Sensors for industrialised environments – were based on our mmWave Radar technology, and the third one – Steering Bevel Box for commercial vehicles – was based on our precision forging technology.

Sona Comstar made its debut at the Consumer Electronics Show (CES) in Las Vegas, where we showcased our mobility technology portfolio, including a breakthrough 180-degree field-of-view short-range radar sensor. The Company also achieved ASPICE Level 2 certification for its advanced suspension motor product during the year.

In line with its expanded vision from ‘auto technology’ to ‘mobility technology,’ the Company has acquired the Railway Equipment Division of Escorts Kubota Limited with effect from 1st June 2025. Sona Comstar also entered into a memorandum of understanding with the ePlane Company to co-develop powertrain systems for

eVTOL aircraft and drones and partnered with TiHAN-IIT Hyderabad to advance autonomous and electric mobility technologies.

The Company's revamped technology roadmap now includes products for drones, eVTOLs, AGVs/AMRs, industrial robots, and humanoid robots, along with the automotive products. This roadmap reflects a strategic evolution from components to sub-systems to full systems, enabling the Company to deliver greater value to customers and play a more prominent role in the rapidly evolving E.P.I.C. mobility ecosystem.

OPPORTUNITIES

As Sona Comstar continues its journey to enable E.P.I.C. mobility through innovative products and technologies, the Company remains focused on identifying and capitalising on emerging growth opportunities by leveraging its core strengths.

Over the past decade, the Company's growth has been primarily driven by the introduction of new product verticals within the automotive sector, particularly in the electrification domain, such as final drive differential assemblies and traction motors. This expansion was complemented by a growing presence in major Western markets, including North America and Europe. Looking ahead to the next decade, the Company aims to take bigger bets by diversifying into mobility segments beyond traditional automotive, make bolder moves by targeting various emerging mobility domains, and go beyond boundaries by broadening its global presence across both Western and Eastern markets.

New product verticals in mobility

Technological advancements and evolving consumer preferences are reshaping the mobility landscape, leading to a structural transformation in the movement of people and goods. According to S&P Global data, the global light vehicle market has yet to recover to its pre-pandemic peak of 95 million annual vehicle sales recorded in CY 2017. While the market has shown signs of recovery since the sharp decline in the pandemic year (CY 2020), long-term growth remains constrained by shifting consumer attitudes toward vehicle ownership and a global emphasis on sustainable transportation.

In response, Sona Comstar has adopted a strategy focused on increasing value-per-vehicle by introducing new product verticals such as final drive differential assemblies, reduction gears, traction motors, motor controllers, suspension motors, and in-cabin sensors, with plans to expand this portfolio further.

Beyond the automotive sector, the Company sees significant potential in other mobility domains, including railways, drones, electric vertical take-off and landing (eVTOL) aircraft, automated guided vehicles (AGVs), autonomous mobile robots (AMRs), industrial robots, and humanoid robots.

Railways represent one of the cleanest and fastest-growing modes of transportation. As per Invest India, the Indian railway sector, the fourth-largest globally, is projected to experience a 29% increase in passenger traffic from 2021 to 2031 and a 25% rise in rolling stock demand between 2026 and 2031. Sona Comstar has already taken its first step into the railway segment by acquiring the Railway Equipment Division of Escorts Kubota Limited on 1st June 2025.

Humanoid robots also present a compelling opportunity, driven by advancements in artificial intelligence, 3D perception, and control technologies. According to Bank of America, the humanoid robot market is expected to reach annual sales of 10 million units by 2035 [Source: Who Makes the Humanoid Robot? – BofA Global Research, 2025]. With its robust capabilities in gears, motors, controllers, and embedded hardware and software, Sona Comstar is well-positioned to target over 50% of the bill of materials for humanoid robots.

The eVTOL market has gained considerable momentum in recent years. Bain & Company projects that by 2035, small eVTOL aircraft will be used for passenger and cargo transport across urban and remote regions, with the global fleet expected to reach 12,000 units by 2035 and 45,000 by 2040 [Source: Advanced Air Mobility: What Electric Air Taxis Need to Take Off – Bain & Company, 2024].

Similarly, the increasing adoption of industrial automation is driving demand for AGVs and AMRs. According to Q4 Web Systems, these markets are anticipated to grow at compound annual growth rates of 18% and 30%, respectively, between 2024 and 2030, with a combined installed base exceeding 3 million units [Source: News Release – Q4 Web Systems, 2024]. Sona Comstar has already commenced technology development initiatives to address these emerging segments.

Growth in eastern world markets

Following the successful establishment of its presence in the Indian market during the first half of its 25-year journey, Sona Comstar started expanding into Western markets such as North America and Europe. In FY 2024-25, these regions accounted for 65% of the Company's revenue, and the Company is positioned among the leading suppliers of its key products in these geographies.

The Company's analysis of Nomura Global Market Research data for the past decade indicates that both Western and Eastern markets exhibited similar growth rates of approximately 1% annually between CY 2014 and CY 2019. However, in the post-pandemic period (CY 2019-2024), Eastern markets have maintained this growth trajectory, while Western markets have experienced a decline of nearly 2%. In terms of annual sales volumes, Eastern markets have now surpassed their Western counterparts.

In the electric vehicle (EV) segment, China, an Eastern market, has emerged as the global leader, accounting for

over 60% of global EV sales in CY 2024, as reported by the International Energy Agency (IEA). Eastern markets also hold significant positions in other mobility domains, including railways, industrial robots, and humanoid robots. For instance, a Morgan Stanley report indicates that 77% of humanoid robot integrators are based in Asia [Source: The Humanoid 100: Mapping the Humanoid Robot Value Chain – Morgan Stanley, 2025]. While continuing to strengthen its market share in Western regions, Sona Comstar is intensifying its focus on Eastern markets to tap into both automotive and non-automotive mobility opportunities.

Emerging mobility trends – Electric, intelligent and connected

Despite recent uncertainties in the automotive industry, the electrification of powertrains has gained substantial momentum. According to the IEA's Global EV Outlook 2025, global electric car sales – including battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) – reached over 17 million units in CY 2024, a 25% increase from the previous year. The share of electric cars in total vehicle sales increased from 17% in CY 2023 to 20% in CY 2024. China led the market with a 60% share, followed by Europe and the United States. Under the IEA's Stated Policies Scenario (STEPS), electric vehicles are projected to constitute 42% of global car sales by CY 2030.

Sona Comstar has proactively aligned its product and technology roadmap with the electrification trend over the past decade. Looking ahead, the Company anticipates rapid advancements in intelligent and connected mobility.

Intelligent next-generation vehicle architectures are being redefined by scalable central computing clusters embedded with artificial intelligence. The transition to zonal and centralised architectures, where powerful central CPUs replace multiple electronic control units (ECUs), is transforming vehicles into mobile data centres, enabling seamless integration of AI and autonomous driving systems. Modern vehicles are increasingly equipped with a wide array of sensors to monitor road conditions, driver and passenger well-being, and overall vehicle performance.

The evolution of assisted and autonomous driving is driving exponential growth in software content, with codebases expected to reach up to one billion lines. According to Goldman Sachs, by 2030, Level 3 autonomous vehicles, capable of hands-free, eyes-off driving in specific conditions, could account for up to 10% of global new car sales, while Level 4 and above fully autonomous vehicles may represent 2.5% of total sales [Source: Partially autonomous cars forecast to comprise 10% of new vehicle sales by 2030 – Goldman Sachs, 2024].

Connectivity is poised to become a cornerstone of future mobility, enabling seamless interaction between vehicles, infrastructure, networks, and pedestrians. Vehicle-to-Everything (V2X) communication, including Vehicle-to-

Customer (V2C), Vehicle-to-Vehicle (V2V), and Vehicle-to-Infrastructure (V2I), is expected to enhance safety and efficiency, paving the way for smart cities. A McKinsey survey found that 69% of respondents preferred more connectivity features in their next vehicle [Source: Spotlight on Mobility Trends – McKinsey, 2024], while BCG projects that by 2035, connectivity will be embedded in over 100% of new vehicle sales [Source: What Will AI Do for Mobility? – BCG, 2024].

THREATS, CONCERNS, AND RISKS

Sona Comstar has established a robust framework for anticipating, monitoring, and mitigating risks. The Company's comprehensive systems, processes, standards, code of conduct, organisational structure, and review mechanisms enable it to conduct operations with resilience and agility in the face of evolving uncertainties.

The Company's business is subject to certain risks and uncertainties arising from the following key factors:

Geopolitical uncertainty

The Company's performance is closely linked to the global automotive sector, including key markets such as North America, Europe, India, and Asia (excluding India). With operations spanning multiple countries, the Company is exposed to both expected and unforeseen changes in legal and regulatory environments. Geopolitical instability in any of these regions could adversely impact operations and the overall performance of the Company.

Volatility in raw material prices

Fluctuations in commodity prices can significantly affect the Company's manufacturing costs. While mechanisms are in place to monitor and manage market risks, it is not always possible to fully predict, hedge, or offset the impact of price volatility through cost pass-throughs or operational efficiencies to eliminate the impact on the Company's overall profitability.

Pandemic and similar disruptions

The COVID-19 pandemic demonstrated the potential for global crises to disrupt business operations. Such events can lead to economic downturns and curtailment of business activities. There remains a possibility that this crisis or a similar public health threat could substantially affect the Company's financial condition and operations.

Change in regulations and industry trends

The mobility industry is subject to stringent environmental and regulatory standards. Any adverse issues or changes in these regulations, or their impact on the Company's customers, could affect business performance. Additionally, the ongoing transition from internal combustion engine (ICE)-based vehicles to electrified alternatives poses a risk to the Company's ICE-dependent product lines.

Risk mitigation and internal controls

The Company believes that effective risk management is essential to achieving its strategic objectives. A multi-tiered risk management framework is in place, supported by regularly tested internal control systems that ensure design integrity, implementation effectiveness, and operational reliability. This framework enables the Company to manage and report on both existing and emerging risks proactively.

Resilience

In FY 2024–25, Sona Comstar demonstrated exceptional resilience and adaptability in the face of significant macroeconomic and geopolitical challenges. The Company effectively navigated disruptions stemming from global tensions, evolving government policies, and inflationary pressures on raw materials.

Amid geopolitical instability and global trade restrictions, including the Red Sea crisis that threatened global supply chains, the Company swiftly activated contingency plans to ensure operational continuity. It diversified sourcing and logistics strategies, established alternative shipping routes, and mitigated potential production delays, thereby maintaining business momentum.

Despite the volatility in the Indian electric two-wheeler market following the discontinuation of the FAME-II subsidy scheme, the Company continued to perform well in this segment. It achieved this by advancing product development and securing Production Linked Incentive (PLI) certifications for its electric two-wheeler portfolio.

Throughout the year, Sona Comstar remained focused on its long-term strategic objectives. It continued to invest in innovation, secured new customer programsme, and expanded its client base. These efforts underscore the Company’s ability to remain agile and forward-looking, even in uncertain environments.

Through its proactive risk management, strategic foresight, and unwavering commitment to innovation, the Company successfully overcame the challenges of 2024 and is well-positioned for sustained growth in the dynamic global mobility landscape.

OUTLOOK

FY 2024–25 marked a period of steady growth and strategic advancement across the global automotive industry, driven by technological innovation, evolving consumer preferences, and dynamic regulatory frameworks. The sector demonstrated remarkable resilience, effectively navigating macroeconomic headwinds and capitalising on emerging opportunities in a rapidly transforming environment. A notable development during the year was the increasing integration of artificial intelligence (AI) and large language models into automotive systems. However, the industry also faced new challenges,

including ongoing geopolitical tensions in Europe and the Middle East, disruptions to global supply chains, rising interest rates, inflationary pressures, and the impact of the Red Sea crisis.

According to S&P Global Mobility, global light vehicle sales are expected to reach 89.6 million units in CY 2025, reflecting a 1.7% year-on-year increase. Their forecast outlook incorporates several factors, including improved supply, tariff impacts, still-high interest rates, affordability challenges, elevated new vehicle prices, uneven consumer confidence, energy price and supply concerns, risks in auto lending and the challenges of electrification. However, the new automotive tariffs announced by the USA have increased uncertainty in the global supply chains and are expected to adversely impact this forecast.

Sona Comstar has strategically diversified its product portfolio to align with the accelerating shift toward electrification and the growing demand for intelligent and connected mobility solutions. The Company remains committed to expanding its presence across the broader mobility landscape.

In the EV sector, 2024 witnessed a decline in battery material costs, while OEMs and suppliers intensified their focus on affordable electric vehicles and efficient component systems. The Company is well-positioned to capitalise on this megatrend, supported by its robust capabilities in EV technologies. The rise of autonomous vehicles is also driving demand for diverse sensor technologies and advanced perception software. These developments, along with increasing digitalisation and connectivity, are expected to deliver safer, cleaner, and more personalised mobility experiences.

To strengthen its research and development capabilities, the Company has built a highly skilled team with deep expertise in these emerging domains. The Company continues to serve large global OEMs and Tier-1 suppliers, with a strong track record of delivering high-quality systems and components for both electric and conventional powertrains.

Looking ahead, the Company is focused on making bold strategic moves in the evolving mobility ecosystem. Its growth strategy is anchored in four core priorities: electrification, global market significance, diversification, and technology.

Sona Comstar is also advancing its strategic roadmap to integrate artificial intelligence (AI) and machine learning (ML) capabilities across its operations. This includes the development of fully automated data pipelines and seamless cloud integration, ensuring scalability and long-term sustainability.

Overall, the Company remains confident in its ability to meet future challenges and deliver sustainable, long-term value to stakeholders by making bigger bets, bolder moves, and expanding beyond traditional boundaries.

FINANCIAL OVERVIEW

Consolidated income statement summary

Particulars (INR million)	FY 2024-25	FY 2023-24	YoY Change (%)
Net Revenue from Operations ¹	35,460	31,848	12%
Total Expenditure	28,638	25,287	13%
EBITDA	9,753	9,021	8%
Other Income	1,269	239	431%
Finance Cost	302	258	17%
Depreciation	2,544	2,202	16%
Adjusted PBT ²	8,176	6,800	20%
PBT	7,983	6,713	19%
Tax	1,986	1,535	29%
PAT	6,012	5,173	16%
EPS (Diluted)	9.92	8.83	12%

¹Includes Foreign Exchange Gain (net)

²Adjusted PBT is PBT plus exceptional expense or minus exceptional income

Revenue from operations

The consolidated revenue in FY2024-25 grew by 12% over FY 2023-24. The BEV revenue registered a growth of 38%. Moreover, the growth in BEV revenue was more than 25 times the growth in non-BEV revenue. BEV revenue growth was primarily driven by ramp-up of sales volume for EV programmes in North American, European and Indian markets.

Expenditure

The total expenditure registered a year-on-year increase of 13% at INR 28,638 million in FY 2024-25 compared to INR 25,287 million during FY 2023-24.

Expenditure Breakup (in INR million)	FY 2024-25	% of Total Income	FY 2023-24	% of Total Income	YoY Change (%)
Material Cost ¹	15,447	43%	13,742	43%	12%
Employee Cost	3,150	9%	2,501	8%	26%
Finance Cost	302	1%	258	1%	17%
Depreciation	2,544	7%	2,202	7%	16%
Other Expenses	7,195	20%	6,584	21%	9%
Total Expenses	28,638	81%	25,287	80%	13%

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 traction motors. Material cost accounted for 43% of total income in both FY 2024-25 and FY 2023-24.

Employee benefit expenses

Employee benefit expenses primarily include salaries, wages, bonuses paid to employees and employee welfare expenses. This increased by 26% to INR 3,150 million in FY 2024-25, from INR 2,501 million in FY 2023-24, due to the increase in the number of employees supporting increased scale of operations, additional cost for new ESOP scheme, and increments to employee salaries.

Finance costs

Finance costs increased by 17% to INR 302 million in FY 2024-25 from INR 258 million in FY 2023-24. The increase is primarily due to additional leases taken during the year for the expansion of business.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 16% to INR 2,544 million in FY 2024-25 from INR 2,202 million in FY 2023-24. Increase in depreciation was on account of addition of property, plant and equipment, primarily for expanding production capacity of differential gears, differential assemblies, and traction motors, as well as additional leases taken during the year for business expansion.

Other expenses

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

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

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

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

Other expenses decreased to 20% of the total income in FY 2024-25 from 21% in FY 2023-24. This decrease was primarily due to favourable product mix, operational efficiency gains, and lower input cost.

Exceptional items

Exceptional Item of INR 193 million during FY 2024-25 and INR 87 million during FY 2023-24 represent cost incurred in relation to various acquisition opportunities.

Tax expense

Our tax expense was INR 1,986 million (ETR 24.9%) in FY 2024-25, compared to INR 1,535 million (ETR 22.9%) in FY 2023-24. The effective tax rate in FY 2023-24 was lower primarily due to a certain one-time impact.

EBITDA, PBT and PAT

As a result, EBITDA for FY 2024-25 increased to INR 9,753 million from INR 9,021 million in FY 2023-24, and adjusted PBT for FY 2024-25 increased to INR 8,176 million from INR 6,800 million in FY 2023-24. PAT for FY 2024-25 increased to INR 6,012 million from INR 5,173 million in FY 2023-24.

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

Description – Borrowings (INR million)	As on Mar 2025	As on Mar 2024
Long-term Borrowing	80	292
Short-term Borrowing	55	2,039
Total Debt	135	2,331
Cash & Cash Equivalent and Other Bank Balances	13,016	2,742
Current Investment	8,185	316
Fixed Deposits (part of other financial assets)	5,525	-
Net Debt/(Cash)	(26,591)	(727)

Net Cash increased due to the QIP funds of INR 23,695 million (net of issue expenses) raised during the year. Part of these funds has been used for the acquisition of the Railway Equipment Division of Escorts Kubota Limited, upon closing of the transaction on 1st June 2025.

Key financial ratios

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

Key Financial Ratios	FY 2024-25	FY 2023-24
Operating Profit/EBITDA Margin (%)	27.4%	28.3%
Net Profit/PAT Margin (%)	16.9%	16.3%
Net Debt to Equity ¹	(0.48)	(0.03)
Net Debt to EBITDA ¹	(2.73)	(0.08)
Return on Equity (%) ¹	17.7%	28.5%
Return on Capital Employed (%) ¹	18.4%	31.0%
Working Capital Turnover	5.0	4.6
Current Ratio ¹	6.9	2.1
Receivables Turnover	5.2	5.1
Inventory Turnover	10.2	9.5
Interest Coverage Ratio	27.5	27.0

¹These ratios were impacted primarily due to the increase in Equity from the QIP funds raised during the year

Basis of calculation of the ratios

- Net Debt to Equity is calculated as short-term and long-term debt less cash, bank balances and mutual fund investments / Equity
- Net Debt to EBITDA is calculated as short-term and long-term debt less Cash and bank balances and mutual fund investments / EBITDA

- ROE (%) is calculated as PAT/ Average tangible net worth
- ROCE (%) is calculated as EBIT/ Average tangible capital employed
- Working Capital Turnover calculated as Revenue / Average net working capital
- Current Ratio is calculated as Current Asset / Current Liabilities

- Receivables Turnover is calculated as Revenue from Operations / Average Receivables
- Inventory Turnover is calculated as Revenue from Operations / Average Inventory
- Interest Coverage Ratio is calculated as EBIT/ Interest Expense

SUSTAINABILITY

Sona Comstar remains deeply committed to sustainable practices, strong corporate governance, and social responsibility. In FY 2024–25, the Company published its third sustainability report, outlining ambitious environmental, social, and governance (ESG) targets. These targets span energy and emissions management, water conservation, waste reduction, air quality improvement, afforestation, employee health and safety, women’s empowerment, community development, and governance excellence.

The Company recognises the importance of addressing climate change and is actively working to reduce its environmental footprint. Its commitment to diversity, equity, and inclusion is unwavering, and it continues to uphold the highest standards of governance. As of December 31, 2024, Sona Comstar was categorised as “low risk” with a score of 14.3 in the Sustainalytics ESG Risk Rating (Core), placing it among the top 9% of 15,104 companies globally.

Environmental stewardship

A key pillar of the Company’s environmental strategy is the development of advanced products for electric mobility, with a target of achieving 45% of revenue from EV-focused products. In FY 2024–25, the Company improved its energy intensity and water intensity further compared to the previous year. Its targeted efforts toward emission reduction led to a 5% reduction in nitrogen oxide (NOx) emissions and a 42% reduction in particulate matter (PM) generation compared to the previous year, contributing significantly to improved air quality and employee health.

During the year, Sona Comstar partnered with the Catch Foundation to implement a Miyawaki-method dense forest project, planting over 45,000 trees. This initiative aims to create a thriving urban forest using native species to rapidly establish a dense, biodiverse ecosystem. The plantation site was carefully selected and planned to ensure optimal growth and long-term ecological benefits. The chosen species, including native trees and Beema Bambusa Balcooa, were selected for their environmental benefits, such as improved soil quality and enhanced biodiversity.

Through innovative technologies and continuous monitoring, the Company is actively working to lower its carbon footprint, contributing to global climate change efforts while ensuring a sustainable future.

Nurturing human resources

The Company places its people at the centre of its success. It fosters a safe, inclusive, and empowering workplace where employees can realise their full potential. In January 2025, Sona Comstar was recertified for the third consecutive year as a ‘Great Place to Work®’, with an improved score over the previous year.

The Company promotes workforce diversity across gender, age, region, and background. As of the end of FY 2024–25, it employed over 5,000 individuals, with more than 6% representation of women. Continuous learning is a core value; the Company regularly trains its employees to enhance their technical, compliance, and behavioural competencies. To enhance workplace safety, the Company introduced a three-stage air purification system in its Tool & Die shop, resulting in a 98% reduction in carbon monoxide levels.

Social impact

Sona Comstar is committed to uplifting communities through its CSR initiatives. In partnership with FITT, IIT Delhi, the Company supported four early-stage mobility tech startups, potentially creating over 100 jobs, particularly in Tier II and Tier III cities. It also partnered with CIIE, IIM Ahmedabad, to support two startups focused on innovative technologies.

Additionally, the Company supported women’s education through a scholarship programme with Ashoka University, offered training programmes through a skill development centre in partnership with Tata Strive, supported education and digital literacy through partnerships with ISKCON and Youthreach Foundation, and improved infrastructure in various schools in Tamil Nadu to benefit students.

Governance excellence

Sona Comstar is committed to maintaining the highest standards of corporate governance, which it views as the foundation of a sustainable and resilient organisation. The Company has also aligned its governance goals with the United Nation Sustainable Development Goals (UN SDGs).

The Company conducted various training and orientation sessions for its employees and directors on ethical issues, e.g. anti-bribery and corruption, anti-money laundering, anti-trust and trade sanctions, delivered by domestic and international reputed law firms/counsels.

During the year, the Company implemented mandatory e-module training on the Code of Conduct, Prevention of Sexual Harassment, Prohibition of Insider Trading, Competition/Anti-Trust Law and Health & Safety, followed by an assessment test for all employees. In recognition of its governance practices, the Company was conferred a Certificate of Appreciation for Excellence in Corporate Governance by the Institute of Company Secretaries of India (ICSI) and received the CSR Times Bronze Award. The detailed Corporate Governance Report is attached to this Annual Report as Annexure-B.

Board’s Report

Dear Shareholders,

The Board of Directors takes immense pleasure in presenting **29th** (twenty-ninth) Annual Report of Sona BLW Precision Forgings Limited (**Company** or **Sona Comstar**) along with the audited standalone and consolidated financial statements for the Financial Year ended on 31st March, 2025.

1. FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial Year	(INR in million)			
	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	32,327.98	28,931.09	35,545.35	31,847.82
Other Income	1,407.78	401.71	1,269.16	239.48
Total Income	33,735.76	29,332.80	36,814.51	32,087.30
Total expenses	25,827.74	22,953.52	28,638.31	25,287.08
Profit before exceptional items and tax	7,908.02	6,379.28	8,176.20	6,800.21
Less: Exceptional Items	192.85	87.16	192.85	87.16
Profit before tax	7,715.17	6,292.12	7,983.35	6,713.05
Less: Total Tax Expenses	1,918.29	1,447.32	1,986.47	1,535.30
Profit for the period/year	5,796.88	4,844.80	5,996.88	5,177.75
Other comprehensive (loss)/ income for the period/ year	6.08	-8.55	42.58	27.92
Total comprehensive income for the period/year	5,802.96	4,836.25	6,039.46	5,205.67
Earnings per share (Basic) (in INR)	9.57	8.27	9.92	8.83
Earnings per share (Diluted) (in INR)	9.57	8.27	9.92	8.83

Standalone

The standalone revenue (revenue from operations plus foreign exchange (net)) increased by 11.7% to INR 32,327.98 million for Financial Year 2024-25 from INR 28,931.09 million for Financial Year 2023-24, primarily driven by ramp-up of sales volume for electric vehicle (EV) programs in North American, European and Indian market. Profit before exceptional items and tax in Financial Year 2024-25 was INR 7,908.02 million as compared to INR 6,379.28 million in Financial Year 2023-24, reflecting an increase of 24.0% from the previous year. Profit after tax (PAT) in the Financial Year 2024-25 was INR 5,796.88 million as compared to INR 4,844.80 million in Financial Year 2023-24, reflecting an increase of 19.7% from the previous year.

Consolidated

The consolidated revenue (revenue from operations plus foreign exchange (net)) increased by 11.6% to INR 35,545.35 million for Financial Year 2024-25 from INR 31,847.82 million for Financial Year 2023-24, primarily driven by ramp-up of sales volume for electric vehicle (EV) programs in North American, European and Indian market. Profit before exceptional items and tax in Financial Year 2024-25 was INR 8,176.20 million as compared to INR 6,800.21 million in Financial Year 2023-24, reflecting an increase of 20.2% from the previous year. Profit after tax (PAT) in the Financial Year

2024-25 was INR 5,996.88 million as compared to INR 5,177.75 million in Financial Year 2023-24, reflecting an increase of 15.8% from the previous year.

2. PERFORMANCE OF THE COMPANY AND INDUSTRY OVERVIEW

In Financial Year 2024-25, your Company maintained its growth trajectory, achieving new revenue and profitability milestones. Consolidated revenue, EBITDA, and profits (before tax and exceptional items) reached INR 35,545.35 million, INR 9,753 million, and INR 8,176.20 million, respectively. The EV business, which saw a revenue increase of 38% over the previous financial year, was a major driver of overall growth, due to the ramp-up and initiation of several new programs. However, the Non-EV business had a moderate revenue growth of 1%.

The Company showcased resilience and adaptability amid a changing global environment. Despite ongoing supply chain challenges and geopolitical tensions impacting material availability, the Company successfully managed its supply chain. Global light vehicle production continued its recovery, fuelled by inventory restocking throughout the year as supply chains became more stable. As a result, global automotive sales remained robust, supported by stabilised supply chains and the increasing availability of battery electric vehicles (BEVs).

The global auto sector remained focused on managing production and inventory levels in response to regional demand patterns, which include slower growth in key markets. Despite facing lower demand in certain markets, and other macroeconomic concerns in areas such as geopolitics, government policies and regulations, your Company maintained a steady supply of its products, ensuring its customers must not experience any disruptions in their production lines.

In addition to sustaining revenue growth throughout the year, your Company advanced its business development efforts, securing 32 new programs in Fiscal 2025, including 4 new EV programs. As of 31st March, 2025 your Company has 58 EV programs, with 15 in serial production, 16 under the production ramp-up phase and 27 set to begin serial production in Fiscal 2026 or later, based on customer schedules. These new order wins have expanded your Company’s 10-year net order book by 7%, now totaling INR 242 billion.

In technology development, your Company took significant leaps by introducing three new products. It commercialised the In-cabin Sensor, it’s very first product based on mmWave Radar technology, for passenger vehicle applications. It was followed by another product from this technology, the Zone monitoring Sensor, for industrial applications. Later, the Company achieved another significant breakthrough by developing a new product using its precision forming technology, steering bevel box. The introduction of these products will add new revenue streams for the Company in future.

Your Company has updated its Vision Statement last year to expand its focus beyond the automotive sector to broader mobility areas. Since then, the Company have been exploring many new mobility areas to enter, and it took a significant step in this direction during this year by signing an agreement to acquire the Railway Equipment Division of Escorts Kubota Limited, marking an entry into the railway sector. Railway Equipment Division has remained a market leader in brake systems for various types of rolling stock and has been a long-term partner of Indian railways and major private railway OEMs. It is also one of the top suppliers of couplers, suspension systems and friction products for railway applications. India has the second-largest railway network in Asia and the fourth-largest globally. With the increasing capex and budgetary support from the government for expanding the railway network, along with the various modernisation initiatives, the railway component market in India offers a significant opportunity. Moreover, railway is among the greenest and cleanest modes of transport, which aligns with our orientation for sustainable mobility. With this acquisition, the Company entered into the railway mobility sector and the rapidly growing railway component market, contributing more to greener mobility solutions.

The Company has reinforced its commitment to ESG by publishing its third annual sustainability report this year. In partnership with the Catch Foundation, the

Company has planted over 45,000 diverse tree species, transforming previously barren land into a thriving Miyawaki dense forest. Based on the proprietary scoring algorithm, the Bluesky Sustainable Business LLP and InGovern Research Services Pvt. Ltd. (**Implementing Agency**) have assessed the CSR Programs of the Company with an **Exemplary Category** of Performance of CSR Activity. Furthermore, the introduction of a three-stage air purification system in the Tool & Die shop has resulted in a 98% reduction in carbon monoxide levels, substantially enhancing worker health and safety.

There were many other significant developments for the Company during the year. This year, for the first time, the Company participated in a global exhibition, CES (Consumer Electronics Show) in Las Vegas, where it showcased a range of products that emphasise its focus on mobility technology and demonstrated one of the breakthrough innovations, a 180-degree field of view short-range radar sensor. The Company remains committed to supporting a sustainable and technologically advanced mobility ecosystem. On the employee satisfaction front, it once again earned the Great Place To Work® Certification™. This coveted recognition reinforces your Company’s standing as one of the India’s leading automotive technology employers. On the corporate governance side, the Company received a Certificate of Appreciation for Excellence in Corporate Governance from the Institute of Company Secretaries of India (ICSI) and the CSR Times Bronze Award. These awards are a testament to the Company’s exemplary governance practices, which have consistently contributed to sustainable growth, financial success, and our reputation as a responsible corporate entity.

For the future outlook of the industry, S&P Global Mobility forecasts global light vehicle sales to reach 89.6 million units in the calendar year 2025 and witness a 1.7% growth over the previous year. The auto industry continues to navigate tariff impacts, still-high interest rates, affordability challenges, elevated new vehicle prices, uneven consumer confidence, energy price and supply concerns, and risks in auto lending.

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 2024-25, pursuant to the provisions of Regulation 34(2)(e) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), forming an integral part of this Annual Report.

4. ACQUISITIONS, INVESTMENTS AND OTHER CORPORATE DEVELOPMENTS

4.1 Acquisition of Escorts Kubota Limited’s Railway Business

During the Financial Year 2024-25, your Company entered into a Business Transfer Agreement dated

23rd October, 2024 (**BTA**) read with the Amended and Restated Business Transfer Agreement dated 10th February, 2025 with Escorts Kubota Ltd. (**Escorts**) for acquisition of its Railway Business, as a going concern, on slump sale basis, for an enterprise value of INR 16,000 million (Indian rupees sixteen thousand million), subject to the terms of the BTA.

The Railway Business of Escorts has one of the most extensive product portfolios amongst railway component suppliers in India. It is amongst the leaders in brakes, couplers, suspension systems, and friction and rubber products. Additionally, it has a strong pipeline of new products, which includes HVAC systems, electrical control panels, vacuum evacuation systems, and automatic plug doors. The Railways Business has a long growth runway as new products move across the R&D chain.

Over the last five years, it has grown revenue at 19% CAGR and EBIT at 18% CAGR. Railway Business reported revenue of approx. INR 9,500 million and approx. EBIT of INR 1,790 million in the Financial Year 2023-24. The acquisition of the Railway Business is expected to be earnings accretive for the Company right from the first year and offers significant growth opportunities.

In this connection, we would like to inform that the transaction has been closed on 1st June, 2025.

4.2 Purchase of land in Faridabad

Your Company has also entered into an agreement with Escorts Kubota Limited (**Escorts**) for purchase of plot of land measuring 33,423 (thirty three thousand four hundred twenty three) square yards equivalent to 27,945.885 (twenty seven thousand nine hundred forty five point eight eight five) square meters forming part of the industrial plot bearing no. 115 and half of plot no. 114 located in Sector 24, Faridabad, Haryana, adjacent to the land of Railway business of Escorts , for total consideration of INR 1,100 million (Indian rupees eleven hundred million), which will support the future expansion of the business of the Company.

4.3 Investment in ClearMotion Inc.

During the Financial Year 2024-25, Comstar Automotive USA LLC, a wholly owned subsidiary of the Company in USA, has made an investment of USD 3,999,900, (US dollars three million nine hundred and ninety-nine thousand nine hundred only) in Clear Motion Inc. (**“Clear Motion”**) in the form of Preferred Stock Series B+.

Clear Motion is a US based company engaged into the business of manufacturing of active suspension systems for application in passenger vehicles.

4.4 Certification under Production-Linked Incentive Scheme

During the Financial Year 2024-25, your Company has received certifications for more products i.e. Traction Motor for electric three wheelers, Hub Wheel Integrated

Motor for electric two wheelers, under the Production-Linked Incentive (**PLI**) Scheme for Automobile and Auto Component Industry in India from the Ministry of Heavy Industries.

4.5 Inauguration and commencement of production in the new Plant in Manesar, Haryana

During the Financial Year 2024-25, your Company has inaugurated its new plant in Manesar (Haryana). This is the Company’s second plant for the Driveline Business in IMT Manesar (Haryana), which will assist in catering to the growing demand for the driveline products of the Company.

4.6 Inauguration of new manufacturing Plant in Mexico

During the Financial Year 2024-25, Sona BLW Edrive Mexicana, S.A.P.I. De C.V., a wholly owned subsidiary of the Company in Mexico, inaugurated its manufacturing plant in the Fipasi Industrial Park, Silao, Mexico. 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. The new facility specialises in producing differential assemblies and reduction gears meticulously designed for BEVs.

4.7 MOU with TiHAN - IIT Hyderabad for connected, autonomous and electric technologies for Automated Guided Vehicles (AGVs), Drones, electric vertical take-off and landing (EVTOLs)

During the Financial Year 2024-25, your Company has signed a memorandum of understanding (**MOU**) with NMICPS Technology Innovation Hub on Autonomous Navigation Foundation at IIT Hyderabad (TIHAN-IITH) at CES 2025 in Las Vegas, USA. The MOU will enable Sona Comstar and TIHAN-IITH to co-operate, synergise strengths and support each other in the areas of Connected, Autonomous and Electric Technologies for AGVs, Drones and EVTOLs.

This collaboration marks a significant milestone in advancing groundbreaking research and development (R&D) in autonomous vehicle technologies. With TiHAN-IITH’s expertise in autonomous navigation and the Company’s leadership in mobility technology and world-class manufacturing, this partnership will enhance innovation and facilitation of a faster transition to future mobility applications.

4.8 Signing of MOU with the ePlane Co. to develop powertrain for eVTOLs and Drones

During the Financial Year 2024-25, your Company has signed a memorandum of understanding with Ubifly Technologies Private Limited (**The ePlane Co.**) at Chennai for enabling Sona Comstar and The ePlane Co. to co-operate in the areas of eVTOLs and Drones. The parties will collaborate on the development of powertrains for eVTOLs and Drones, including

gearboxes, motors, inverters, and related components and systems.

The Urban Air Mobility Space in India is poised to launch several eVTOLs in the coming years. The ePlane Co. is a pioneer in the field of eVTOLs with several used cases including Air Ambulances, Charter Flights and Aerial Cargo. Its recent approval from DGCA puts them in the forefront of indigenous private companies. Your Company is a global leader in mobility space with a strong focus on EPIC technologies and proven capabilities in electric powertrains including Motor, Inverter and Gearbox.

This collaboration is aimed to strengthen the partnership between the two companies and pave a way for deeper engagement in the upcoming eVTOL and Drone programs, and deliver truly “Made in India” products.

4.9 Re-classification of Singapore VII Topco III Pte. Ltd. from Promoter to Public category

During the year under review, your Company has received a request from Singapore VII Topco III Pte. Ltd (**Singapore VII**) under Regulation 31A of the Listing Regulations, for re-classification of Singapore VII from “Promoter” to “Public” category.

The Board of Directors of the Company in their meeting held on 23rd January, 2025, considered and approved the request made by Singapore VII and the Company has taken the requisite action by submitting the re-classification application with the stock exchanges for its approval under the Listing Regulations.

The Company has received no objection confirmation from both the stock exchange(s) i.e. BSE Ltd. and National Stock Exchange of India Limited (NSE), for re-classification of Singapore VII from Promoter to Public category and the intimation of the same was filed with both the stock exchange(s) on 3rd March, 2025.

5. SUBSIDIARIES AND ASSOCIATES

As on 31st March, 2025, the Company has 6 (six) directly held subsidiaries, 9 (nine) step-down subsidiaries and 2 (two) associate companies, the details of which are enumerated in **Form MGT-7**, which is available on the website of the Company at <https://sonacomstar.com/investor/annual-reports-and-returns>.

Pursuant to Section 129(3) of the Companies Act, 2013 (**Act**), the Company has prepared the consolidated financial statements, which forms part of this Annual Report. Further, a separate statement containing salient features of Financial Statements of all subsidiaries and associates has been enumerated/shown in **Form AOC-1**, which 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 Audited Financial Statements of each of its subsidiaries, are available on the website of

the Company at <https://sonacomstar.com/investor/subsidiary-companies-financial-statements>

Your Company does not have any material subsidiary as of 31st March, 2025.

The policy for determining material subsidiaries framed in accordance with the provisions of the applicable laws and amendments thereof, as approved by the Board, is uploaded on the Company’s website and can be accessed at <https://sonacomstar.com/files/policy/policy-for-determining-material-subsiidiaries-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, 2025 have recommended the payment of INR 1.60 (One Indian rupee and sixty 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, 2025. 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, 2025 has declared an interim dividend of INR 1.60 (One Indian rupee and sixty 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, 2025.

The total dividend for the Financial Year 2024-25, including the proposed final dividend, amounts to INR 3.20 (Three Indian rupee and twenty paise) per equity share of INR 10/- (Indian rupees ten only) each of the Company and the tabular representation of the dividend recommended / declared for the financial year under review and the previous financial year are as follows:

Dividend on Equity Shares	For the Financial Year ended on 31 st March, 2025	For the Financial Year ended on 31 st March, 2024
	Dividend per Equity Shares (INR)	Dividend per Equity Shares (INR)
Interim dividend	1.60	1.53
Final dividend	1.60*	1.53
Total dividend	3.20	3.06

*The Board has recommended final dividend of INR 1.60 for Financial Year 2024-2025 to the shareholders of the Company for their approval in the ensuing AGM of the Company.

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, accordingly, makes 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 containing the requirements mentioned in Regulation 43A of the Listing Regulations and the same is available on the Company’s website 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

9.1 Fund raising through Qualified Institutions Placement

During the financial year under review, your Company made a Qualified Institutions Placement (QIP) of INR 24,000 million (Indian rupees twenty four thousand million) by issuing 34,782,608 (Thirty-four million seven hundred eighty-two thousand six hundred eight only) equity shares to Qualified Institutional Buyers (QIBs) at an issue price of INR 690 (Indian rupees six hundred and ninety) per equity share, including a premium of Rs 680 (Indian rupees six hundred and eighty) per equity share, in compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations), the Act and other applications laws.

The net proceeds from the QIP shall be utilised for the objects of the Company as specified below and have been clearly stated in the placement document and notice seeking shareholder’s approval as well:

- a. Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company;
- b. Payment of balance consideration in relation to the acquisition of Novelic;
- c. Pursue strategic investments and organic and inorganic growth opportunities;
- d. Purchase of fixed assets, including, equipment and machinery;
- e. General corporate purposes.

Details of utilisation of funds of QIP

Pursuant to the provisions of regulation 32 of the Listing Regulations, the Company obtains monitoring agency report on the utilisation of the net proceeds of the QIP on a quarterly basis and places the said report before the Audit Committee and Board of Directors in their respective quarterly meetings. The monitoring agency report and statement of deviation/variation report are

filed with the stock exchange(s) and uploaded on the website of the Company on a quarterly basis.

Details on the utilisation of funds raised through QIP during the financial year is mentioned in the quarterly Statement of Deviation or Variation Report uploaded on the website at <https://sonacomstar.com/investor/statement-of-deviation-or-variation>

9.2 Employee Stock Option Plan (ESOP) Allotment

As on the date of this report and during the year under review, your Company has allotted 487,589 (Four hundred and eighty-seven thousands five hundred eighty nine 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) and Employee Stock Option Scheme 2020 (ESOP Scheme-2023).

As a result of above allotment of equity shares under QIP and upon exercise of ESOPs, the paid-up share capital of the Company increased from INR 5,864,477,780 (Indian rupees five billion eight hundred sixty-four million four hundred seventy seven thousand seven hundred eighty only) consisting of 586,447,778 (Five hundred eighty-six million forty four hundred seven thousand seven hundred seventy eight only) to INR 6,217,179,750 (Indian rupees six billion two hundred seventeen million one hundred seventy nine thousands seven hundred fifty only) consisting of 621,717,975 (Six hundred twenty one million seven hundred seventeen thousands nine hundred seventy five only) equity shares having face value of Rs. 10/- each fully paid-up. The Equity Shares issued under ESOP Scheme -2020 and ESOP Scheme -2023 shall rank *pari-passu* with the existing equity shares of the Company including dividend entitlement.

During the year under review, your Company has not issued any 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 under review, there was no change in the nature of Company’s business.

11. CORPORATE GOVERNANCE

Your Company continues to benchmark its governance framework and practices against the highest standards of industrial excellence including national as well as international benchmarks for corporate governance. This approach reflects the Company’s core value system, which is deeply embedded in its organisational culture, ethical compliance and relationships with stakeholders, including shareholders, employees, customers, regulators, and the community at large.

In pursuit of excellence, your Company remains unwavering in its commitment to adopting and maintaining the highest standards of corporate governance. These standards are aligned with the provisions of the Act, the rules made thereunder, and the guidelines issued by the Securities and Exchange Board of India (SEBI), particularly under the Listing Regulations, as amended from time to time. Your Company recognises that robust corporate governance is fundamental to the effective management of its business, ensuring transparency, accountability, and the creation of long-term value for its stakeholders.

As a recognition of its continued efforts towards fostering exemplary governance standards, your Company was conferred with the “Certificate of Appreciation for Excellence in Corporate Governance” by the Institute of Company Secretaries of India (ICSI) during the financial year under review. This prestigious accolade stands as a testament to the Company’s steadfast adherence to ethical practices, compliance with regulatory frameworks, and commitment to the principles of good governance.

The report on the Corporate Governance as stipulated in Regulation 34 of the Listing Regulation along with a Certificate from the Practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations forms part of this Annual Report as Annexure-A.

The Certificate on Corporate Governance of the Company obtained from M/s. PI & Associates, firm of Practising Company Secretaries, as required under the Listing Regulation is attached as Annexure -B.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

12.1 Board Diversity

Your Company recognises the benefits of having a diverse Board and considers 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 and 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 Listing Regulations, sets out its approach to diversity.

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

12.2 Board of Directors

As on 31st March, 2025, the Board comprised of 9 (nine) directors, including 6 (six) independent directors (including 2 (two) women independent directors), 2 (two) executive directors, and 1 (one) non-executive director. The brief profile of each director is available on the website of the Company at <https://sonacomstar.com/board-of-directors>

The Board holds the opinion that the Independent Directors of the Company (including those appointed during the year) possesses requisite qualifications, experience, expertise, proficiency and holds highest standards of integrity. In terms of the requirements under the Listing Regulations, the Board has identified key skills, expertise and core competencies required for appointment of director on the Board, including Independent Directors, details of which are provided as part of the Corporate Governance Report forming part of this Report.

12.3 Appointment of Directors

During the period under review, the composition of the Board of Directors of your Company changed to strengthen its governance framework, diversity, expertise and enhance its strategic oversight capabilities. The restructuring of the Board was undertaken in compliance with the provisions of the Act, the Listing Regulations, and based on the recommendations of the Nomination and Remuneration Committee (NRC) and consequent approval of the Board thereon, the details of the same are specified below:

- a. Appointment of Mr. Pradip Manilal Kanakia (DIN: 00770347) as an Independent Director of the w.e.f. 1st July, 2024 for a period of 5 (five) consecutive years. Also, being an expert in accounting, auditing and financial, he was also appointed as Chairperson of Audit Committee w.e.f. 5th July, 2024.

Mr. Kanakia is a dual qualified Chartered Accountant of both in England & Wales and India and he has held leadership positions with Price Waterhouse and KPMG. He possesses requisite skills and expertise in accounting, auditing, reporting, strategy, transformation, performance management, systems and processes and controls, compliance and governance.
- b. Appointment of Mr. Karamendra Daulet Singh (DIN:00110827), as an Independent Director of

the Company w.e.f. from 24th October, 2024 for a period of 5 (five) consecutive years.

Mr. Karamendra is a dual-qualified lawyer, qualified to practice both in England and India. He possesses requisite skills and core expertise, amongst others, include cross border transactions and Mergers and Acquisitions and have an in-depth knowledge with respect to various corporate related matters, including regulatory and taxation frameworks.

- c. Appointment of Mr. Vineet Mittal (DIN:00058552), as an Independent Director of the Company w.e.f. from 24th January, 2025 for a period of 5 (five) consecutive years.

Mr. Mittal, a distinguished alumnus of Harvard Business School, is a serial entrepreneur known for his remarkable success in the fields of Information Technology (IT) services and Green Energy. He possesses requisite skills and expertise in the field of Sustainability, Regulatory Compliance and Stakeholders Management, Information Technologies/Cyber Security, Corporate Governance, and Risk Management.

- d. Appointment of Mr. Vikram Verma Vadapalli (DIN:03631259), as a Whole Time Director in the Company w.e.f. from 24th January, 2025 for a period of 3 (three) consecutive years.

Mr. Verma holds bachelor’s degree in technology in mechanical engineering from Karnataka Regional Engineering College, Surathkal (now renamed as National Institute of Technology, Surathkal), and brings with him more than 40 years of rich experience in organisational strategy, new product development, business development, strategic procurement, operations, and people development in the automotive industry. Mr. Verma has been associated with Sona Group for more than 35 years. He joined the Company in 2007 as Chief Engineer (Projects). Prior to this, Mr. Verma was leading the plant operations at JTEKT India Limited (Formerly known as Sona Koyo Steering Systems.) Later, in 2011, Mr. Verma was appointed as an Executive Director and CEO of the Company. In 2019, after the acquisition of Comstar, the erstwhile business of the Company was rechristened as ‘Driveline Business’, and Mr. Verma was appointed as CEO of Driveline Business.

The appointment of Mr. Pradip M Kanakia, Mr. Karam Dault Singh, Mr. Vineet Mittal and Mr. Vikram Verma Vadapalli as the Directors of the Company for the term as mentioned above was subsequently approved by the shareholders of the Company through the resolutions passed with the requisite majority by way of postal ballot via remote e-voting on 30th August, 2024, 29th November, 2024, and 28th February, 2025 (for both Mr. Vikram Verma Vadapalli and Mr. Vineet Mittal), respectively. Details of the same are provided in

the Report of Corporate Governance, forming part of this Annual Report.

12.4 Re-appointment of Independent Directors

- a. The NRC, based on the performance evaluation of Mrs. Shradha Suri and taking into account the external business environment, the business knowledge, acumen, experience, more than 87% attendance in the Board’s meetings held during her tenure, her association with the automobile industry and association with ACMA and CII and the substantial contribution made by Mrs. Suri during her tenure, has recommended to the Board that the continued association of Mrs. Shradha Suri as an Independent Director would be beneficial to the Company.

Based on the above and her performance evaluation, the Board at its meeting held on 30th April, 2025 has recommended the re-appointment of Mrs. Shradha Suri as an Independent Director to the shareholders for the second consecutive term of 5 (five) years commencing from 5th August, 2025 to 4th August, 2030. The Company has received the requisite notice from a member in writing proposing her candidature for appointment as an Independent Director under section 160 of the Act. The notice is available on the website of the Company at <https://sonacomstar.com/investor/notice-of-candidature>.

- b. The NRC, based on the performance evaluation of Mr. Jeffrey Mark Overly and taking into account his expertise, 100% attendance in the Board and its Committee meetings and substantial contribution made by him during despite being in different time zone his tenure, has recommended to the Board that the continued association of Mr. Jeffrey as an Independent Director would be beneficial to the Company.

Based on the above and his performance evaluation, the Board at its meeting held on 30th April, 2025 has recommended the re-appointment of Mr. Jeffrey as an Independent Director for the second consecutive term of 5 (five) years to the shareholders commencing from 12th February, 2026 to 11th February, 2031. The Company has received the requisite Notice from a member in writing proposing his candidature for appointment as an Independent Director under section 160 of the Act. The notice is available on the website of the Company at <https://sonacomstar.com/investor/notice-of-candidature>.

Mrs. Shradha Suri and Mr. Jeffrey Mark Overly have confirmed that they are not disqualified from being appointed as Independent Directors of the Company under the Act and the Listing Regulations. They have also submitted their written consent to act as directors of the Company in accordance with the provisions of Act and rules made thereunder.

In compliance with the applicable provisions of the Act and the Listing Regulations, each of the directors has disclosed their interest in other entities and related parties, which were duly noted by the Board of Directors.

The proposed appointments are in consonance with all the statutory and regulatory requirements, and the requisite documentation and filings have been completed as mandated under the Act and the Listing Regulations. As per the provisions of the Act, the Independent Directors are not liable to retire by rotation.

The brief profiles of all the directors are also available on the Company’s website at <https://sonacomstar.com/board-of-directors>.

12.5 Retirement/Resignation of Directors

During the financial year under review, following directors of the Company have retired/resigned from the Company:

- a. Mr. B.V.R Subbu (DIN: 00289721), Independent Director of the Company retired w.e.f. 4th July, 2024 due to completion of his tenure as Independent Director of the Company.
- b. Resignation of Mr. Prasan Abhaykumar Firodia (DIN: 00029664), Independent Director of the Company, w.e.f. 23rd October, 2024, due to his increased professional and personal commitments.
- c. Resignation of Mr. Amit Dixit (DIN: 01798942), Nominee and Non-Executive Director of the Company w.e.f. 11th December, 2024, as per the requirement of regulation 31A of the Listing Regulations for re-classification of Singapore VII Topco III Pte. Ltd. from promoter to public category.

In compliance with the Listing Regulations, Mr. Prasan Abhaykumar Firodia and Mr. Amit Dixit confirmed that there are no other material reasons other than those provided in their resignation letter, which were filed with the stock exchanges and uploaded on the website of the Company.

12.6 Retirement by rotation and subsequent re-appointment

Mr. Vivek Vikram Singh (DIN: 07698495), Managing Director & Group CEO of the Company is liable to retire by rotation at the ensuing AGM and being eligible has offered his candidature for re-appointment.

Brief resume, nature of expertise, and disclosures as stipulated under Secretarial Standard 2 and Regulation

36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

12.7 Demise of Mr. Sunjay Kapur, Non-Executive Chairman

The Board is deeply saddened by the untimely passing of Mr. Sunjay Kapur, Non-Executive Chairman of the Board on 12th June, 2025 and expressed its thoughts and condolences with the family of Mr. Kapur at this time of grief. The visionary leadership, unwavering commitment, and exemplary guidance of Mr. Kapur has left an indelible mark on the Board and Company.

Throughout his tenure, Mr. Kapur was instrumental in steering the Company through significant milestones. His strategic insights and ethical values served as the foundation of corporate governance and set the course for sustained growth and innovation for the Company.

Beyond his professional accomplishments, Mr. Kapur will be remembered for his humility, integrity, and ability to inspire those around him. His contribution to the Company and the automotive industry community is immeasurable.

may his soul rest in eternal peace!

In recognition of his unparalleled contributions and enduring impact, the Board of Directors in its meeting held on 23rd June, 2025 designated Late Mr. Sunjay Kapur as ‘Chairman Emeritus’ of the Company posthumously.

12.8 Appointment of Mr. Jeffrey Mark Overly, as Chairperson of the Company.

The Board of Directors of the Company appointed Mr. Jeffrey Mark Overly, Independent Director (DIN:09041143), as the Chairperson of the Board of Directors of the Company w.e.f. 23rd June, 2025.

Mr. Overly has been on the Board of the Company for almost 5 years now and has an excellent attendance record attending all the Board and Committees meetings held during his tenure, contributing significantly to the deliberations and decision making of the Board and its committees.

12.9 Appointment of Mrs. Priya Sachdev Kapur as a Non-Executive Director

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (NRC), has approved the appointment of Mrs. Priya Sachdev

Kapur (DIN: 02406685), as an Additional Non-Executive Director of the Company, w.e.f. 23rd June, 2025, subject to approval of the shareholders of the Company.

12.10 Key Managerial Personnel

As on 31st March, 2025, 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. Vikram Verma Vadapalli*	Whole Time Director and Chief Executive Officer- Driveline Business
Mr. Rohit Nanda	Group Chief Financial Officer
Mr. Ajay Pratap Singh	Senior Vice President- Group General Counsel, Company Secretary and Compliance Officer

*Mr. Vikram Verma Vadapalli was appointed as KMP of the Company w.e.f. 24th January, 2025.

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 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 during the Financial Year 2024-25.

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

None of the directors of the Company are disqualified from being appointed as Directors 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 Independent Directors are also required to undertake an online proficiency self-assessment test conducted by IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption.

All the Independent Directors of the Company are exempted from the requirement of undertaking the online self-assessment test, except Mr. Pradip Manilal Kanakia, who has successfully completed the online proficiency self-assessment test.

The Company has received a certificate from M/s. PI & Associates, a firm of Company Secretaries in Practice, certified 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, the Certificate is attached as **Annexure - C** to this Annual Report.

Lead Independent Director

Mr. Jeffrey Mark Overly, Independent Director, Chairman of the Board and Chairman of Nomination and Remuneration Committee, Risk Management Committee and Environment, Social and Governance Committee was appointed as the Lead Independent Director by the Board of the Company effective from 5th July, 2024 in place of Mr. B.V.R. Subbu post his retirement from the Board of the Company. The role and responsibilities of the Lead Independent Director are provided in the Corporate Governance Report forming part of 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 of the same are given in the Corporate Governance Report, which forms part of this Annual Report.

The Managing Director and Group CEO and the Whole Time Director of the Company have not received any remuneration or commission from any of the subsidiary companies. The Company does not have any holding company as of 31st March, 2025.

Singapore VII Topco III Pte. Ltd. (Singapore Topco), the erstwhile holding company and earlier one of the 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 of the Company) with cash rewards based on certain disposition event(s) in relation to its interest in the Company. These cash rewards have been paid to such employees entirely by Singapore Topco (without any recourse or liability to the Company).

None of the promoters, directors 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 6th August, 2021 and 9th September, 2021, respectively, in compliance with regulation 26(6) of the Listing Regulations. Accordingly, during the Financial Year 2024-25, Singapore Topco paid part of cash rewards to the identified employees (including the Whole Time Director, Managing Director and Group CEO) of the Company. The intimation for the same was also filed with the stock exchanges and website of the Company.

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

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

The 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 - D1** forming part of this Annual Report.

The statement containing the names of top 10 (ten) 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- D2**, forming part of this Annual Report.

16. BOARD EVALUATION

Based on the recommendation of the Nomination and Remuneration Committee (“NRC”), your Company has adopted the Policy for Evaluation of the Performance of the Board of Directors, which was duly approved by the Board of Directors. In terms of the requirements of the Act and the Listing Regulations read with the Guidance note on Performance Evaluation” issued by the SEBI on 5th January, 2017, the Board has carried out an annual evaluation of its own performance and that of its committees as well as the performance of its Chairperson and individual directors. The Nomination and Remuneration Committee (NRC) also carried out the performance evaluation of individual directors.

The Independent Directors also carried out performance evaluation of non-independent directors, board as a whole and Chairperson of the Board taking into view of executive and non-executive directors of the Company.

The detailed elaboration of the above performance evaluation has been specified under the Corporate Governance Report attached as **Annexure - A** of this report.

17. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has designed a Familiarisation Programme for its Independent Directors, which is imparted at the time of the appointment of an Independent Director on the Board as well as during the year. The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and to assist them in performing their role as Independent Directors of the Company.

The familiarisation programme *inter alia*, includes briefing on:

- a. role, responsibilities, duties and obligations as a member of the Board.
- b. corporate presentation explaining the business and business model of the Company.
- c. technology roadmap.
- d. matters relating to governance.

Through one-to-one interaction with the senior management, the new independent directors are acquainted to the company’s business, industry, and key policies followed by site visits to company facilities.

Independent directors receive regular updates on the company’s performance, strategic initiatives, and industry trends. Your Company has also organised training sessions on ethical compliance comprising of Prevention of Money Laundering Act, 2002 and Anti-Bribery & Corruption Policy, Governance & Trade Embargo, Corporate Governance, Anti-Trust Issues, Regulatory Updates, and other relevant topics. These sessions ensure that independent directors are aware of their roles, rights, and responsibilities as specified in various provisions of the applicable laws.

Further, participation in board and committees meetings allows independent directors to engage with the company’s operations and contribute to strategic discussions including update on performance, financial update, operational update, technology update, ESG update, business development update.

The details of the training and familiarisation program 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-0zjWbw.pdf>.

Further, at the time of appointment as an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities as enumerated under various provisions of applicable laws. 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:

i.

in the preparation of the annual accounts for the financial year ended on 31st March, 2025, the applicable accounting standards were followed, and there are no material departures from the same;

ii.

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, 2025 and of the profits of the Company for the financial year ended on 31st March, 2025;

iii.

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;

iv.

the annual accounts for the financial year ended on 31st March, 2025, have been prepared on a going concern basis;

v.

proper internal financial controls as 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, KMP 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:

a)

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;

- b)

relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c)

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:

- a)

The NRC shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP and accordingly recommend to the Board his/her appointment to the Board.
- b)

The NRC shall consider qualifications and appointment for Independent Directors as per the provisions of the Act.
- c)

The Company shall ensure that the person appointed as Director/ Independent Director is not disqualified under the Act, and rules made thereunder.
- d)

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, or any other enactment for the time being in force.
- e)

The term/ tenure of the Directors shall be governed as per provisions of the Act and the Rules made thereunder, the SEBI Regulations and such other applicable laws, as may, be amended, replaced, substituted, re-enacted from time to time.
- f)

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

20. EMPLOYEE STOCK OPTION 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 the 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 24,704 (Twenty-four thousand seven hundred and 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 1st October, 2023.

b. **SONA BLW PRECISION FORGINGS LIMITED-EMPLOYEE STOCK OPTION PLAN-2023 (ESOP SCHEME- 2023)**

The shareholders of the Company has approved the ESOP Scheme-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 Options under the ESOP Scheme- 2023.

During the period under review, a total of 462,885 (Four hundred and sixty-two thousand eight hundred and eighty-five 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-2023.

Pursuant to amendments in the regulation 46 of the Listing Regulations, the ESOP Scheme - 2023 is available on the website of the Company at <https://sonacomstar.com/investor/employee-benefit-scheme>

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 Scheme -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) Regulations, confirming the implementation of ESOP Scheme-2020 and ESOP Scheme -2023 in accordance with the SEBI (SBEB) 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 No. 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 has implemented a well-structured succession planning for the Board members and Senior Management and key employees of 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 employees 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, which have occurred between the end of the Financial Year 2024-25 and the date of this Annual Report.

26. RELATED PARTY TRANSACTIONS

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

Transactions with related parties were reviewed and approved by the independent directors of the Audit Committee of the Company and are in accordance with

the Policy on Related Party Transactions, formulated and adopted by the Company in accordance with the applicable laws. An omnibus approval from the Audit Committee is obtained for the repetitive related party transactions at the beginning of every financial year.

During the year under review, the Audit Committee has reviewed and accorded its approval/ratification on the related party transactions to be entered in the Financial Year 2025-26 in line with the requirements of SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14th February, 2025 on "Industry Standards on Minimum information to be provided for review of the audit committee and shareholders."

The Board of Directors, during the year under review, has amended the Policy on Related Party Transactions as required under the Listing Regulations, which is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>

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 No. 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, 2024 and 31st March, 2025 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, 8 (eight) 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 2024-25 has been elaborated in the Corporate Governance Report which forms the part of this Annual Report.

The Board of Directors met quarterly and the gap intervening between 2(two) 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. 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 their meeting held on 30th April, 2024, on the recommendation made by the Audit Committee, has appointed M/s PI & Associates (CP Firm Registration No. P2014UP035400), as the Secretarial Auditors of the Company to undertake the Secretarial Audit for Financial Year 2024-25, based on consent received from M/s. PI & Associates.

As a matter of good corporate governance, the Company voluntarily follows the practice of conducting secretarial audit on a quarterly basis and reports of the same are placed before the meeting of the Audit Committee and the Board of Directors of the Company on a quarterly basis.

The Secretarial Auditors' Report for the Financial Year 2024-25 does not contain any qualification, reservation or adverse remark and is annexed to this Annual Report as **Annexure- E**.

Pursuant to a recent amendment in the Listing Regulations, every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary. Further, the Company can appoint a Secretarial Audit firm as Secretarial Auditor for not more than two terms of 5(five) consecutive years, with the approval of its shareholders in its Annual General Meeting.

In this regard, the Board of Directors in their meeting held on 30th April, 2025, based on the recommendation made by the Audit Committee and subject to the approval of shareholders in the ensuing AGM, have appointed M/s. PI & Associates (Firm Registration No. P2014UP035400), a peer reviewed firm of Company Secretaries in Practice, as the Secretarial Auditors of the Company for first term of 5 (five) consecutive financial year, to undertake the Secretarial Audit from Financial Year 2025-26 to Financial Year 2029-30, based on consent received from M/s. PI & Associates.

Annual 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 2024-25. 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>.

Secretarial Audit of Material Unlisted Indian Subsidiary

There was no material unlisted Indian subsidiary of the Company as on 31st March, 2025 and as such the requirement under Regulation 24A of the Listing Regulations regarding the secretarial audit of material unlisted Indian subsidiary is not applicable to the Company for the Financial Year 2024-25.

b. Statutory Auditors

M/s. Walker ChandioK & 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 this 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 Financial Statement for Financial Year 2024-25, 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 of Directors of the Company, based on the recommendation of the Audit Committee at their meeting held on 30th April, 2024 has appointed M/s. Jayaram & Associates, Cost Accountants (Firm Registration No. 101077), as the Cost Auditors of the Company for the Financial Year 2024-25 and the shareholders of the Company has ratified the fees of the Cost Auditor in 28th Annual General Meeting of the Company held on 28th June, 2024.

During the Financial Year, the Cost Auditors of the Company provided the Cost Audit report for the Financial Year 2023-24 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 2023-24 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 their meeting held on 30th April, 2025 has appointed M/s. Jayaram & Associates, as the Cost Auditors of the Company for the Financial Year 2025-26 under section 148 of the Act, M/s. Jayaram & Associates, Cost Accountants (Firm Registration No. 101077), being eligible, have consented to act as the Cost Auditors of the Company for the Financial Year 2025-26.

The remuneration proposed to be paid to the Cost Auditors for the Financial Year 2025-26, is subject to ratification by the members of the Company at the ensuing 29th AGM, would not exceed INR 375,000

(Indian rupees three hundred seventy-five thousand only), excluding taxes and out-of-pocket expenses, if any.

d. Internal Auditors

The Board of Directors had in their meeting held on 30th April, 2025 have appointed M/s. BDO India LLP (Firm Registration No. MCA: AAB-7880), as Internal Auditors of the Company for the Financial Year 2025-26.

29. INTERNAL CONTROL SYSTEM

The Company has in place an 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 2024-25.

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.

30. 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.

31. 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.

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company continued to focus on innovation, generation of employment through skill development and promoting education through high standard projects in the domains of education, supporting innovative start-ups and skill development. During the Financial Year 2024-25, your Company made special efforts in promoting green initiative through plantation

of 45,767 saplings, including native species and Beema Bamboo (CVSP Miyawaki Method) at Manesar, Haryana, by collaborating with Catch Foundation. The CSR initiatives of the Company focused under the CSR intervention ‘Sona Comstar Samridh Bharat Program’ (for promotion of innovation), ‘Sona Comstar Saksham Bharat Program’ (promotion of skill development and education) during the year under review and ‘Sona Comstar - Swachh Bharat Program’ (focus on environmental sustainability).

During the Financial Year 2024-25, the Company has spent INR 97,135,667 (Including amount of INR 32,546,027, which is transferred to the unspent CSR Account for the ongoing projects, as per Section 135(6) of the Act, on 28th April, 2025) on the CSR projects comprising of 2% of average net profit of Company for the last three financial year. The amount spent includes the administrative expenses and the amount spent on the conduct of impact assessment, towards CSR expenditure.

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, 2025, in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”) is attached as **Annexure- G** 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 2024-25. The impact assessment report is attached as **Annexure -H** of this report.

Further, the Group Chief Financial Officer of the Company has certified that CSR spend of the Company for Financial Year 2024-2025 have been utilised for the purpose and in the manner approved by the Board of Directors of the Company.

During the year under review, the Company has voluntarily engaged M/s. BDO India LLP for conducting audit of CSR expenditure made by the Company in both the Financial Year 2023-24 and 2024-25. The audit report was presented before the CSR Committee in its meeting held on 23rd January, 2025 and on 23rd June, 2025 respectively. The CSR Committee made suggestions for improvising the CSR practices while making selection of new projects.

33. AWARDS AND RECOGNITIONS

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

S. No.	Award Category	Awarded By
1	Best Performer Award	Japanese OEM of OHVs
2	Supplier Excellence Award – Partner Level Performance – 2023	North American Tier-1 Supplier for OHVs
3	Supplier Excellence Award – Quality Performance – 2024	North American Tier 1 Supplier for PVs, CVs, OHVs, and Evs
4	Special Appreciation Award – Target	Indian OEM of OHVs
5	Great Place To Work Certificate	Great Place To Work® Institute India
6	CSR Times Award - Bronze	CSR Times
7	Make in India Award	European OEM of OHVs
8	Certificate for Appreciation for Excellence in Corporate Governance	Institute of Company Secretaries of India (ICSI)
9	Best Supplier Award - Forging and Casting	Global OEM of OHVs
10	Business Partner of the Year - Farm Division	Indian OEM of PVs, CVs, OHVs, and EVs

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 with an objective of identification and categorisation of potential risks, its assessment and mitigation and to monitor these risks.

The Board has entrusted the Risk Management Committee (**RMC**) with overseeing the processes of identification, evaluation and mitigation of risks. The RMC *inter alia* periodically reviews the organisational risks that are spread across operational, financial, technological and environmental spheres and provides guidance to the management team.

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

The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company.

Mitigation plans of significant risks are well integrated with functional and business plans and are reviewed on a regular basis by the Executive Board Meeting periodically.

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>

In addition to this the Enterprise Risk Management (ERM) Framework is also available of the website of the Company at <https://sonacomstar.com/files/policy/erm-framework-policy-CZEft.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 a 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 with 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 including but not limited to spreading of awareness through regular learning sessions.

During the year under review, the Company also launched e-learning modules on the Code of Conduct and Business Ethics, Prohibition of Insider Trading, POSH and Anti-Trust Compliance which also includes training on Whistle Blower mechanism of the Company. The details of the training programs are provided in the BRSR Report.

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 Company across all levels. A quarterly report on the whistle-blower complaints, as received, is placed before the Audit Committee for its review.

During the year under review, the Company has not received any complaints under the said mechanism.

The Whistle Blower Policy is available on the website of the Company at the link: <https://sonacomstar.com/files/policy/whistle-blower-policy-policy-MUwqe2.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 <https://sonacomstar.com/files/policy/anti-bribery-and-corruption-policy-policy-8i68Y7.pdf>

36. CYBER SECURITY AND DATA PRIVACY

36.1 Cyber Security

During the financial year under review, your Company has been awarded the prestigious ISO 27001 certification, an internationally recognised standard for Information Security Management Systems (**ISMS**). This certification demonstrates the Company’s unwavering commitment to safeguarding the confidentiality, integrity, and availability of information assets through the implementation of stringent security controls and best practices.

By achieving this milestone, the Company affirms its compliance with global standards for information security and reinforces its dedication to fostering trust among clients, partners, and stakeholders.

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. Guided by the provisions of the Information Technology 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.

36.2Data Privacy

During the financial year under review, the Company has further strengthened its Data Privacy Framework in alignment with the provisions of the Digital Personal Data Protection Act, 2023 (**DPDP**), as well as the General Data Protection Regulation (**GDPR**) of the European Union. This framework has been meticulously designed to ensure compliance with statutory and international regulatory requirements governing the protection, handling, and safeguarding of personal information, including sensitive personal data, pertaining to its employees, directors, customers, and vendors.

In furtherance of this initiative, the Company has conducted extensive training programs for its employees, aimed at enhancing their understanding and awareness of data privacy principles, regulatory

obligations, and best practices under both the DPDP, and GDPR. These training sessions emphasised the importance of maintaining the confidentiality, integrity, and security of personal data, thereby fostering a culture of accountability and vigilance across the organisation. This accomplishment highlights our proactive approach to managing risks and ensuring the secure handling of sensitive data including the personal information and personal sensitive information of employees, directors, vendors and customers of the Company.

37. EXTERNAL AUDIT OF COMPLIANCE SYSTEM

During the financial year under review, in accordance the recommendation of the Audit Committee, the Company undertook a comprehensive audit of its Legal Risk Management System (**LRMS**), a key compliance tool utilised by your Company. This audit was conducted by M/s. BDO India LLP (**BDO**), a reputed independent professional services firm. The purpose of the audit was to evaluate the efficacy of the LRMS in ensuring robust compliance management and to identify areas for enhancement.

The findings and recommendations from the audit were presented by the BDO team to the Audit Committee. The report highlighted critical observations and provided actionable suggestions to strengthen the reporting mechanisms and overall functionality of the LRMS. These insights have been instrumental in enhancing the Company's compliance framework and ensuring alignment with regulatory and ethical standards.

In response to the observations outlined in the audit report, the Company has made necessary updates and amendments to LRMS. These updates aim to reflect the improvements required for a more robust compliance structure and to align the policies with best practices as identified through the audit process.

38. ANNUAL RETURN

In accordance with the provisions of Section 92(3) read with Section 134(3)(a) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, 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 have 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. HUMAN RESOURCES

At Sona Comstar, excellence is not just about our products, technology, or delivery, it is woven into our operations and practices. Human resources are central to all processes and practices and we remain committed to prioritise our people and thus work for their safety, their development and well-being. This commitment has ensured and we re-certified with improved scoring on all parameters as a 'Great Place to Work' for the third year consecutively, underscoring the strength and impact of our initiatives.

We nurture a collaborative culture that breaks silos—enabling cross-functional learning and building strong internal and external partnerships. Diversity and inclusion are integrated into our ethos, where every voice is respected, and individuality is celebrated. This inclusive approach has helped build a workplace that inspires creativity, resilience, and collective success.

Our HR practices are built on a foundation of collaboration, care and continuous improvement, which ensures we provide a conducive environment to foster innovation and success. We prioritise teamwork, both within departments and external partners, creating a culture of shared achievement and mutual growth. Our assessment & rewards strategy is mature and rewards achievement of such collective goals.

Innovation is embedded in our DNA, and we cultivate a mindset of continuous improvement in the organisation. By embracing latest technological advancements and encouraging creative thinking, we consistently challenge status quo. Our commitment to developing our workforce—especially in engineering and technical capabilities—is exemplified through a range of comprehensive training, mentorship programs and hands-on experience. We are working to ensure continuity and sustainability by harnessing online platforms where materials are generated, stored, train and assess relevant employees. We have developed trainings & content repositories for technical functions to assist and aid skill acquisition and will be available to support anywhere, anytime, anyone learning methodology on a pull model.

Employee engagement is one of the key pillars of our success, and we take deliberate steps to engage people to foster involvement and ownership. Through multiple initiatives like QCC, Suggestions/Kaizens, Cross-Functional Teams and engagement by way of sports activities and cultural activities. This participative approach also drives innovation and instils a sense of pride and commitment among our employees, as they see their contributions leading to tangible outcomes and thus engages everyone positively.

At Sona Comstar, Total Quality Management (TQM) and Safety First are not mere concepts; they underpin every process and initiative. Our steadfast commitment to safety and continuous improvement ensures that we provide a secure, healthy work environment, all the while delivering exceptional value and results to our customers and stakeholders.

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

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

This POSH Policy aims to provide protection to not just women employees against sexual harassment at workplace, but it also includes employees of all genders and provide them a mechanism for the prevention and redressal of complaints 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. Further, the POSH Policy also gives shelter to contract workers, probationers, temporary employees, trainees, apprentices of the Company and any person visiting the Company at its office.

During the year, the Company has organised sensitisation and awareness programs, inductions for new joiners, through e-learning modules for all employees, trainees, creating standees and posters to sensitise all employees to conduct themselves in a professional manner.

During the year under review, the IC in Driveline Business, (in Gurgaon and Manesar at Haryana) was re-

constituted and the list of new members were placed before the Audit Committee for its information and noting. Further a new IC was constituted for the Railway Business, w.e.f. 1st June, 2025.

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

Details of Complaints received and redressed during the Financial Year 2024-25:

- (a) number of complaints of sexual harassment received in the year: **None**
- (b) number of complaints disposed off during the year: **None**
- (c) number of cases pending for more than ninety days: **None**

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> along with that the Company has also published the procedure prescribed for filing of complaint under POSH which can be accessed at <https://sonacomstar.com/files/policy/procedure-prescribed-for-filing-of-complaint-under-posh-policy-W29f5C.pdf>.

The Company is in compliance with the provisions relating to the Maternity Benefit Act 1961.

43. SUSPENSION OF SECURITIES OF THE COMPANY

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

44. 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- I** to the Annual Report.

Sustainability Report

During the period under review, your Company released its third Sustainability Report for the fiscal year 2023-24. This report underwent an external assurance process conducted by Grant Thornton Bharat LLP, ensuring its accuracy and compliance with established standards. Furthermore, the report was prepared in strict accordance with the Global Reporting Initiative (**GRI**) Standards, which are internationally recognised guidelines for sustainability reporting. This adherence to GRI Standards reflects the organisation's commitment to transparency, accountability, and responsible reporting on its sustainability performance.

45. PROCEEDINGS UNDER THE INSOLVENCY
AND BANKRUPTCY CODE, 2016

No application has been made under the Insolvency and Bankruptcy Code, 2016. Hence, the requirement to disclose the details of the application made or any proceeding pending under the said Code during the year along with its status as at the end of the financial year is not applicable.

46. INVESTOR RELATIONS

Your Company has consistently upheld the highest standards of corporate governance, demonstrating a strong commitment to excellence and transparency in all its operations. As a forward-thinking organisation, the Company prioritises building strong relationships with its stakeholders, especially investors and analysts, by adhering to best practices in investor relations. This commitment is evident through our proactive and transparent communication strategies, which help in maintaining a robust relationship of trust with the investment community. The Company has designated Mr. Amit Mishra, as the Head of Investor Relation.

During the financial year under review, the Company engaged with its investors and analysts in a timely and comprehensive manner. Following each quarterly meeting of the Board of Directors, the Company conducted investor/analysist calls. These calls served as a platform for management to present the Company's financial and operational performance while addressing any questions or concerns from participating investors and analysts. These initiatives highlight our dedication to timely and transparent communication.

In addition to the quarterly investor calls, the Company has undertaken several initiatives to foster meaningful engagement with the investment community. These efforts include hosting meetings with investors and analysts and facilitating plant visits to provide first hand insight into the Company's operations and capabilities. In keeping with our commitment to transparency, detailed information about these interactions has been made publicly available on our website and duly disclosed to the stock exchanges in compliance with the Listing Regulations.

Further, during the financial year, as part of our stakeholder-centric approach, the Board of Directors initiated a focused effort to strengthen relationships with the Institutional Investors. The Board held a structured meeting with the Company's top four active Institutional Investors to gain direct insight into their perspectives and gather constructive feedback on the Company's performance, governance practices, and overall strategy. This initiative reinforced the Company's commitment to stakeholder engagement and provided valuable input for the Board's strategic decision-making.

The Company remains committed to following best practices in corporate governance and investor relations, ensuring that the principles of transparency, accountability, and trust are embedded at all levels of operation. These initiatives reflect our unwavering commitment to safeguarding shareholder interests and fostering long-term value creation for all stakeholders.

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 the actual outcome of those statements 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, 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

Vivek Vikram Singh
Managing Director and
Group CEO

Place: Gurugram
Date: 23rd June, 2025

Vikram Verma Vadapalli
Whole Time Director

CORPORATE GOVERNANCE REPORT

INDEX

S. No	Particulars
1.	Company's philosophy on Corporate Governance
2.	Ethics/Governance policies
3.	Governance structure and defined roles and responsibilities.
4.	Board of Directors
5.	Number of board meetings, attendance of the directors at meetings of the board and last annual general meeting
6.	Board Committees
7.	General Body meetings
8.	Performance evaluation
9.	Nomination and remuneration policy and remuneration paid to directors
10.	Means of communication
11.	Board diversity
12.	Details of compliance with mandatory requirements and adoption of the non- mandatory requirements
13.	Corporate Governance initiatives
14.	Material Subsidiaries

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance philosophy of **Sona BLW Precision Forgings Limited** (“**Sona Comstar**”/“**Company**”) centers around continuous improvisation of governance standards, ensuring that our governance practices are aligned with our core values, vision, and mission. We prioritise equitable and transparent management, underpinned by steadfast dedication with accountability and openness across all financial and non-financial performance metrics.

Corporate governance at Sona Comstar transcends the boundaries of statutory compliances. By integrating governance into our decision-making processes, we ensure that our actions reflect our core values, mitigate risks effectively, and consistently deliver high standards of performance.

It is a dynamic force that shapes the company’s strategic direction, influences risk management and drives its commitment towards excellence across all facets of the Company’s operations. Being a value driven organisation, the Company accords priority to building trust with shareholders, employees, customers, suppliers, and other stakeholders.

The Company has adopted various policies including Code of Conduct and Business Ethics, Anti-bribery and Corruption Policy, Anti Money Laundering, Anti-Trust, Data Protection and Privacy Policy, Policy on Prevention of Sexual Harassment at Workplace, and Fair Work Practices Guidelines, which focusses on ethical compliances in the Company. The Company has also implemented a Whistle Blower Mechanism, which is subject to periodic monitoring and reporting. In addition, the Company has implemented a Code of Conduct for Vendors and ethical policy framework for its value chain partners, pursuant to which regular training and awareness sessions with employees, workers and value chain partners of the Company are conducted periodically. These policies of the Company can be accessed from the website of the Company at <https://sonacomstar.com/policies-and-codes>.

The Company believes in maintaining the highest standard of transparency with timely notification of information to its external stakeholders. The leadership in the Company sets the tone through its actions and ensuring that the organisation remains true to its culture and values. The Company fosters a culture of ethical behaviour, individual accountability and transparent disclosure being deeply ingrained in all its business dealings and disclosure made by the managements and Board of Directors. The Company has established systems and procedures to ensure that its Board of Directors are well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term 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 all of its employees. During the financial year under review, the Company once again received the certification for “**Great Place to Work**” from Great Place to Work® Institute.

The Company has set the medium and long-term ESG goals aligned with United Nation Sustainable Developments Goals (**SDGs**) and has also published its Sustainability Report for the financial year 2023-24 in line with the **Global Reporting Initiative (GRI)** Standards, for providing non-financial and ESG related information to the stakeholders of the Company. The Sustainability Report is available on the website of the Company at <https://sonacomstar.com/files/documents/sustainability-report-for-fy-2023-24-document-8mGjaG.pdf>.

As part of our ESG initiatives, the Governance Goals of the Company are focused towards the educating/sensitising the employees and supply chain partners of the Company by conducting regular and periodic training/awareness sessions for promotion of human rights and ethical issues . The Governance Goals of the Company are as follows:

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.

c) to encourage the supply chain partners of the Company for promotion of Human Rights and ethical issues as mentioned in above point (a) and (b).

2. To inculcate the culture of compliance and ensure compliance with all the applicable laws and regulations within the organisation and also encourage the supply chain partners of the Company to do so.

3. Implementation of data privacy framework across the group and create awareness sessions on data privacy compliance.

4. Improvise the Corporate Governance Practices by benchmarking with best governed Companies.

Accolades for Corporate Governance

During the financial year under review, the Company achieved a significant milestone in its corporate journey by being honored with the prestigious “**Certificate of Appreciation for Excellence in**

Corporate Governance” by the Institute of Company Secretaries of India (**ICSI**). This recognition underscores the Company’s unwavering commitment to adhering to the highest standards of transparency, ethical practices and compliance with statutory and regulatory requirements. The award serves as a testament to the robust governance framework implemented by the Company. The recognition from ICSI, a highly respected professional body dedicated to promoting excellence in corporate governance and secretarial practices, further reinforces the Company’s reputation as a leader in fostering trust, integrity, and responsible business conduct.

With focus on Corporate Governance in the previous Financial Year 2023-24, the Company was conferred with the coveted “**Golden Peacock Award for Excellence in Corporate Governance**” by the Institute of Directors (**IOD**), Delhi. This accolade acknowledged the Company’s consistent efforts to implement strong governance practices that drive value creation, enhance stakeholder confidence, and support sustainable growth.

These consecutive recognitions—from ICSI this year and IOD last year—demonstrate the Company’s continuous improvement in corporate governance standards. They serve as a testament to the Company’s ongoing commitment to enhance its governance frameworks, aligning with global best practices, and ensuring responsible business conduct.

2. ETHICS/GOVERNANCE POLICIES

Code of Conduct for Board, Senior Management and Employees

The Code of Conduct (**Code**) for Board, Senior Management and Employees encompass Corporate Governance as the cornerstone for:

Sustaining management performance

Serving all the stakeholders

Instilling pride of association

The Code impresses upon the Board and Senior Management to uphold the interest of the Company and its stakeholders and endeavour to fulfil its regulatory and governance obligations in letter and spirit. The Code set forth guidance and principals for the Board of Directors and Senior Management Personnel to manage the affairs of the Company in a fair and transparent manner. The Code is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>.

In accordance with the Listing Regulations, 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 -J**.

The Company has also implemented the Fair Work Practice Guidelines for its employees and business partners covering issues like Constitutional values, Human Rights, Diversity and Inclusion, Labour Practices, Freedom of Association, Collective Bargaining etc., across its operations. The Fair Work Practice Guidelines of the Company is available on the website of the Company at <https://sonacomstar.com/files/policy/fair-work-practice-guidelines-policy-aetlfx.pdf>

During the period under review, the Company has also conducted various training and orientation sessions for its employees and directors on ethical issues e.g. Anti-bribery and corruption, Anti-money laundering and Trade Sanctions by international reputed law firms/ counsels. The details of the training and awareness sessions are provided in the Business Responsibility and Sustainability Report (**BRSR**) attached to the Annual Report as **Annexure- I**.

E-modules on Ethical Compliance

During the financial year under review, in pursuit of better governance and on the recommendation of the Audit Committee, the Company has implemented mandatory e-module training on the Code of Conduct and Prevention of Sexual Harassment, Prohibition of Insider Trading, Competition/Anti-Trust Law and Health & Safety, for the employees of the Company followed by an assessment test with a passing score of atleast 80%.

The Company has successfully replicated its ethical and compliance framework in its newly acquired Railway Business and is focusing on the training and awareness sessions.

Implementation of Cyber Security Framework and Data Privacy Framework

Cyber security is more important than ever, and with the growing threats to businesses and having a robust security solution is absolutely essential. The Company has implemented a comprehensive Cyber Security and Data Protection Framework across all its locations. This framework ensures the highest standards of data protection and has been recognised with the prestigious ISO 27001 certification. This certification demonstrates our commitment in maintaining the confidentiality, integrity, and availability of information, providing our clients and stakeholders with the assurance that their data is secure and in safe hands.

The Company is maintaining utmost confidentiality of the Personal Sensitive Information (**PSI**) of its employees, directors, vendors, customers and other stakeholders and during the financial year under review, the Company has further strengthened 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 all its locations.

The Company is committed to maintaining the confidentiality and security of the Personal Sensitive

Information (PSI) of its employees, directors, vendors, customers, and other stakeholders.

The Company has established and enforced the requisite policies and procedures to ensure the lawful collection, processing, and handling of PSI. These measures include obtaining explicit consent from the relevant individuals and entities, thereby ensuring that all PSI is managed in accordance with applicable legal and regulatory requirements.

Furthermore, the Company provides comprehensive training to all its employees on Data Protection principles and practices. This training includes detailed guidelines on the do's and don'ts for the protection of personal information, ensuring that employees are well-informed and equipped to handle PSI responsibly and legitimately and in compliance with the established Data Privacy Framework.

Code of Conduct for Prohibition of Insider Trading

The Company understands the menace of insider trading and is fully committed to protect the interest of its investors. The Company intensively focuses on trainings, awareness sessions and updates the designated persons of the Company through flyers along with any amendment in the regulations, recent case studies on orders and judgements, in order to make them aware about their duties and responsibilities under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (PIT Regulations).

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

During the Financial Year 2024-25, the Company has organised multiple training sessions, awareness programs, and initiatives aimed at equipping Designated Persons (DPs) with a comprehensive understanding of their compliance obligations and responsibilities under the PIT Regulations and the PIT Code. Regular communications, including emails

and informational flyers, were disseminated to DPs to notify them of Trading Window closures, roles and responsibilities of DPs and to provide clear guidance on permissible and prohibited activities under the PIT Code and under the PIT Regulations. Additionally, the Company also keep highlighting recent industry cases, regulatory developments, regulatory sanctions imposed on other listed companies and their DPs for breaches under the PIT Regulations, utilising publicly available information to underscore the significance of adherence to compliance requirements and to mitigate the risks of non-compliance.

The Company also recognises its responsibility in ensuring compliance with the PIT Regulations by intermediaries and fiduciaries and has taken the necessary action to prohibit the insider trading. The continued focus on training and awareness programs has ensured better compliance with the PIT Code and PIT Regulations.

Training E-module for Prohibition of Insider Trading

The Company has implemented E-module on the training on Prohibition of insider trading which is mandatory for all the DPs of the Company and during the year all required employees of the Company have undergone the training and completed the assessment with a passing score of 80%.

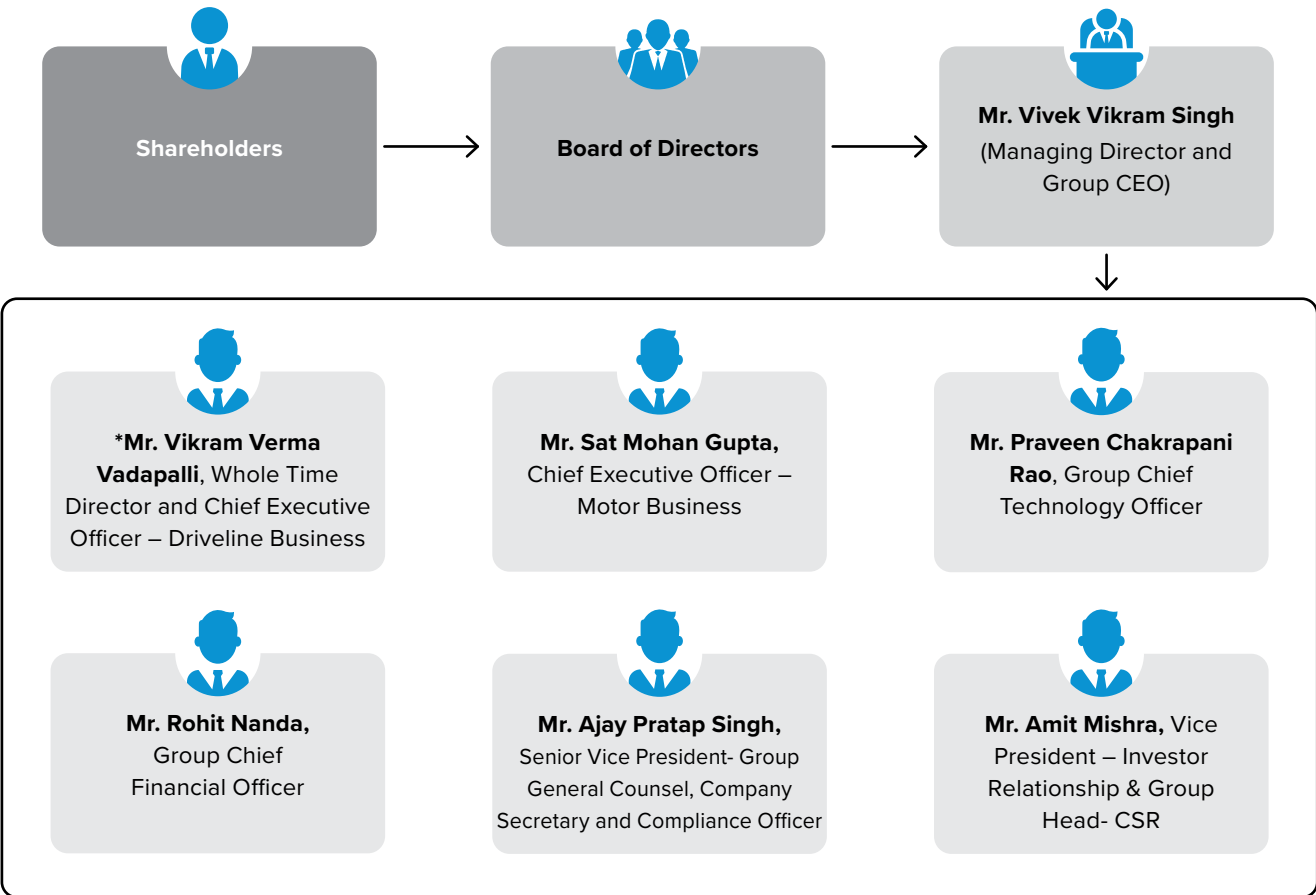
Tool for Compliance under PIT Regulations

The Company has implemented a tool for tracking the trading done by designated persons of the Company and mapped the details of DPs along with the details of their immediate relative and insiders. The Company regularly tracks shareholding of all the DPs and their immediate relatives on weekly basis and in case of non-compliance, the matter is placed before the audit committee for its consideration and imposition of appropriate sanctions on the DPs. Further, while sharing any Unpublished Price Sensitive Information (UPSI) by any employee to another employees or insiders for legitimate purposes, the employee, who is sharing the UPSI is required to make an entry in the Structural Digital Database (SDD), along with the reason and mode of sharing the UPSI.

Regular communication pertaining to the closure of the trading window are sent to all the DPs through the aforesaid tool and as a part of good corporate governance practices. The Company follows the practice of closing its trading window 15 days before the end of every quarter until 48 hours after the quarterly results were published. Additionally, the Trading Window is also closed for specific UPSI matters, applicable to a selected group of DPs, who have access to such UPSI.

3. GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

The Company’s governance structure comprises of the Board of Directors and its Committees and the management, the tabular representation of the same is shown below.



*Appointed as the Whole Time Director of the Company w.e.f. 24th January, 2025.

4. BOARD OF DIRECTORS

The Board of Directors have the fiduciary responsibility of ensuring overall business strategy is aligned to sustainable growth and value creation, guidance to management, enhancing value of all stakeholders, assessing risk management practices and monitoring the effectiveness of the Company’s Corporate Governance practices, the details of the same is well articulated and published 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, and ensure Company’s vision and mission are translated into actionable goals.

The composition of the Board of the Company is in accordance with provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Companies Act, 2013 (Act), with an optimal mix of Executive and Non-Executive Directors.

The Board has unrestricted access to all Company related information including to members of the management. 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.

Your Company believes in having a diverse Board, with diversity of experience, thoughts, perspective, skill sets, gender, industry and expertise ensuring constructive deliberations and effective decision-making at the Board.

As on 31st March, 2025, the Board comprises of 9 (nine) directors, including 6 (six) independent directors (including 2 (two) women independent directors), 2 (two) executive directors, and 1 (one) non-executive director.

During the year under review, the following directors were appointed on the Board of Directors of the Company:

- a) Mr. Pradip Manilal Kanakia (DIN: 00770347), appointed as an Independent Director of the Company w.e.f. 1st July, 2024 for a period of 5 (five) consecutive years.
- b) Mr. Karamendra Daulet Singh (DIN:00110827), appointed as an Independent Director of the Company w.e.f. from 24th October, 2024 for a period of 5 (five) consecutive years.
- c) Mr. Vineet Mittal (DIN:00058552), appointed as an Independent Director of the Company w.e.f. from 24th January, 2025 for a period of 5 (five) consecutive years.

d) Mr. Vikram Verma Vadapalli (DIN:03631259), appointed as a Whole Time Director of the Company w.e.f. from 24th January, 2025 for a period of 3 (three) years.

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, as part of its governance practices.

During the year under review, the following directors were retired/resigned from the Board of Directors of the Company:

- a. Mr. Subbu Venkata Rama Behara (DIN: 00289721), Independent Director of the Company, retired from the directorship w.e.f. 4th July, 2024 due to completion of his tenure.
- b. Mr. Prasan Abhaykumar Firodia (DIN: 00029664), Independent Director of the Company, resigned w.e.f. 23rd October, 2024, due to his increased professional and personal commitments.
- c. Mr. Amit Dixit (DIN: 01798942), Non-Executive - Nominee Director of the Company, resigned w.e.f. 11th December, 2024, as per the requirement of regulation 31A of the Listing Regulations for re-classification of Singapore VII Topco III Pte. Ltd. from promoter to public category.

Mr. Prasan Abhaykumar Firodia and Mr. Amit Dixit confirmed that there is no other reason of their resignation other than mentioned in their resignation letters and the same were filed by the Company with the Stock Exchanges.

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

The details of the Senior Management Personnel (SMP) of the Company are as follows:

- i. Mr. Sat Mohan Gupta, Chief Executive Officer- Motor Business
- ii. Mr. Rohit Nanda-Group Chief Financial Officer
- iii. Mr. Ajay Pratap Singh-Sr. VP-Group General Counsel, Company Secretary & Compliance Officer
- iv. Mr. Amit Mishra, Head-VP-Investor Relationship and Group Head-CSR
- v. Mr. Kiran Manohar Deshmukh, Group Chief Technology Officer*
- vi. Mr. Praveen Chakrapani Rao -Group Chief Technology Officer*
- vii. Mr. Ranganathan Balaji- President & Chief Operating Officer-Operations®

viii. Mr. Rakesh Rajagopal-President & Chief Operating Officer -North America®

ix. Mr. Anand Seth-Assistant Vice President-Marketing®

* Mr. Kiran Manohar Deshmukh, Group CTO of the Company superannuated from the Company w.e.f. 31st October, 2024. The Board, based on the recommendation of NRC appointed Mr. Praveen Chakrapani Rao as the Group CTO w.e.f. 1st November, 2024.

@ As per the Listing Regulations, pursuant to appointment of Mr. Vikram Verma Vadapalli as the Whole Time Director of the Company, Mr. Ranganathan Balaji, Mr. Rakesh Rajagopal and Mr. Anand Seth become the SMP of the Company w.e.f. 24th January, 2025, as they directly report to Mr. Vikram Verma Vadapalli.

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 KMP or SMP 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>.

Demise of Mr. Sunjay Kapur, Non-Executive Chairman

The Board was deeply saddened by the untimely passing of Mr. Sunjay Kapur, Non-Executive Chairman of the Board on 12th June, 2025 and expressed its thoughts and condolences with the family of Mr. Kapur at this time of grief. The visionary leadership, unwavering commitment, and exemplary guidance of Mr. Kapur has left an indelible mark on the Board and Company.

Throughout his tenure, Mr. Kapur was instrumental in steering the Company through significant milestones. His strategic insights and ethical values served as the foundation of corporate governance and set the course for sustained growth and innovation for the Company.

Beyond his professional accomplishments, Mr. Kapur will be remembered for his humility, integrity, and ability to inspire those around him. His contribution to the Company and the automotive industry community is immeasurable.

may his soul rest in eternal peace!

In recognition of his unparalleled contributions and enduring impact, the Board of Directors in its meeting held on 23rd June, 2025 unanimously designated Late Mr. Sunjay Kapur as **Chairman Emeritus** of the Company posthumously.

Appointment of Mr. Jeffrey Mark Overly, as Chairman of the Company.

The Board of Directors of the Company appointed Mr. Jeffrey Mark Overly, Independent Director (DIN: 09041143), as the Chairperson of the Board of Directors of the Company w.e.f. 23rd June, 2025.

Mr. Overly has been on the board of the Company for almost 5 years now and has an excellent attendance record attending all the Board and Committees meetings held during his tenure, contributing significantly to the deliberations and decision making of the Board and its committees, despite being in a different time zone.

Appointment of Mrs. Priya Sachdev Kapur as a Non-Executive Director

The Board of Directors, on the recommendation of the Nomination and RemunerationCommittee (NRC), has approved the appointment of Mrs. Priya Sachdev Kapur (DIN: 02406685), as an Additional Non-Executive Director of the Company, w.e.f. 23rd June, 2025, subject to approval of the shareholders of the Company.

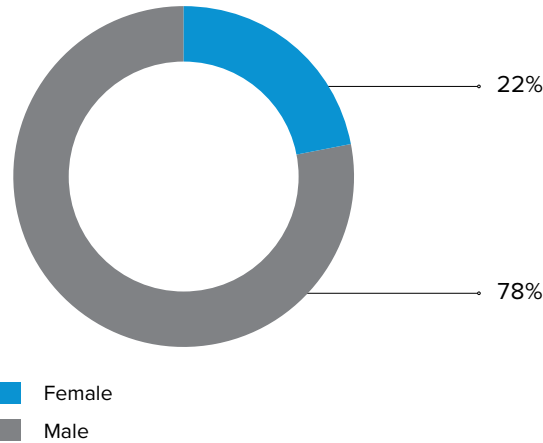
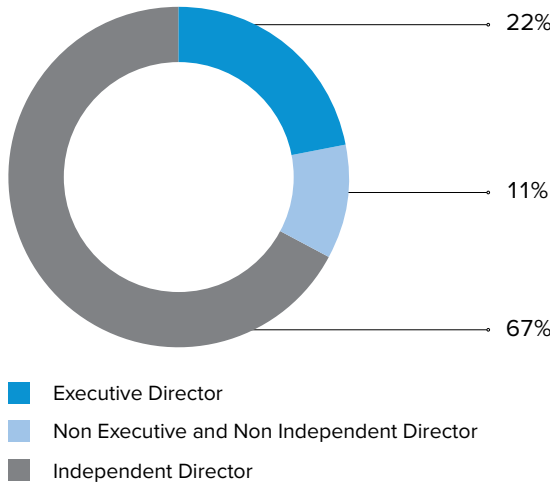
5. NUMBER OF BOARD MEETINGS, ATTENDANCE OF THE DIRECTORS AT MEETINGS OF THE BOARD AND AT THE LAST ANNUAL GENERAL MEETING

All the directors are attending each board meeting and committee meetings 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. Other directors may, also attend the Committee meetings as invitee at the Chairman’s discretion.

During the financial year under review, the Board of Directors have met **8 (eight)** times to discuss and deliberate on various matters. The meetings were held on 30th April, 2024, 24th July, 2024, 19th August, 2024, 3rd September, 2024, 23rd October, 2024, 23rd January, 2025, 10th February, 2025 and 10th March, 2025. 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 is fixed at the beginning of the year.

Composition and Attendance (in brief):



As on 31st March, 2025, the composition of the Board, the Committee positions held by the directors as chairperson and member and details of their directorship in other listed entities including category of directorship, attendance at the Board meetings held during the year under review and the Annual General Meeting, are given herein below:

Name of the director	Category of directorship	Number of board meeting attended (Total 8 board meeting held)	Attendance at the AGM held on 28th June, 2024	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	8	Yes	3	3	-	-	Jindal Steel & Power Limited	Independent Director
Mrs. Shradha Suri (DIN: 00176902)	Independent Director	5	Yes	5	3	-	2	Subros Limited	Chairperson and Managing Director
Mr. Jeffrey Mark Overly (DIN: 09041143) [@]	Chairman and Independent Director	8	Yes	1	-	-	2	-	-
Mr. Vivek Vikram Singh (DIN: 07698495)	Managing Director and Group CEO	8	Yes	1	1	-	1	-	-
Ms. Manisha Girotra (DIN: 00774574)	Independent Director	3	Yes	2	2	1	1	Ashok Leyland Limited	Independent Director
Mr. Vikram Verma Vadapalli* (DIN:03631259)	Whole- Time Director	2	Yes, as a SMP of the Company	1	1	-	-	-	-
Mr. Pradip Manilal Kanakia ** (DIN: 00770347)	Independent Director	6	NA	9	1	4	8	JM Financial Limited	Independent Director
								Healthcare Global Enterprises Limited	
								Britannia Industries Limited	
								ICRA Limited	
								Camlin Fine Sciences Limited	
Mr. Karamendra Daulet Singh *** (DIN:00110827)	Independent Director	3	NA	2	1	1	2	Agro Tech Foods Limited	Independent Director
Mr. Vineet Mittal**** (DIN:00058552)	Independent Director	1	NA	1	3	-	-	-	-

[^]Mr. Sunjay Kapur, Chairman and Non-Executive Director, ceased to be a director of the company due to his unfortunate demise on 12th June, 2025.

[#]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.

[@] Mr. Jeffrey Mark Overly, Independent Director has been appointed as the Chairman of the Board of Directors of the Company w.e.f. 23rd June, 2025.

* Mr. Vikram Verma Vadapalli was appointed as a Whole Time Director of the Company w.e.f. 24th January, 2025.

** Mr. Pradip Manilal Kanakia was appointed as an Independent Director of the Company w.e.f. 1st July, 2024.

*** Mr. Karamendra Daulet Singh is an Independent Director of the Company w.e.f. 24th October, 2024.

**** Mr. Vineet Mittal was appointed as an Independent Director of the Company w.e.f. 24th January, 2025.

Independent Directors

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

As per regulation 25(8) of the Listing Regulations and Section 149(7) of the Act and the rules framed thereunder, all Independent Directors had confirmed that they meet the independence criteria as specified in the Act and Listing Regulations and are independent of the management. The Independent Directors have affirmed 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 independent judgement.

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 Act and 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>

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 presence of Non-Independent Directors, for the Financial Year 2024-25 was held on 30th April, 2025 for Board evaluation. Independent Directors in the said meeting reviewed and evaluated the performance of the Non-Independent Directors, Board as a whole and Chairman of the Company after taking views of executive and non-executive Directors of the Company and assessed the quality, quantity and timeliness of flow of information's between the Company's management and the Board that is necessary for the Board to perform its duties both effectively and reasonably. All the Independent Directors of the Company complies with the criteria's pertaining to the maximum number

of directorships as per the Act and regulation 17A of Listing Regulations.

Lead Independent Director

The Board of Directors has appointed Mr. Jeffrey Mark Overly, as the Lead Independent Director in place of Mr. BVR Subbu post his retirement from the Board of the Company, w.e.f. 5th July, 2024. As a Lead Independent Director, Mr. Overly has been entrusted, *inter-alia*, with the following roles and responsibilities:

- i.

Lead exclusive meetings of the Independent Directors and provide feedback to the Chairperson/ Board of Directors after such meetings;
- ii.

Provide leadership to the Independent Directors and serve as liaison between the chairperson of the Board and the Independent Directors;
- iii.

Take the lead role, along with Chairperson of the Board and Nomination and Remuneration Committee, in assessing the performance evaluation of the Board and that of Individual Director;
- iv.

Identify critical issues for the Board to deal with and assist the Board in achieving consensus on important issues.

Meeting of Independent Directors

The Independent Directors of your Company have met 2 (twice) during the year under review, on 30th April, 2024 and 10th March, 2025 respectively without the presence of Non-Independent Director(s) of the Company. Mr. B.V.R. Subbu, Independent Director, presided the meeting of Independent Directors held on 30th April, 2024 and Mr. Jeffrey Mark Overly, the lead Independent Director, presided the meeting of Independent Directors held on 10th March, 2025.

The meetings of Independent Directors were held in formal and flexible manner to enable the Independent Directors to, *inter alia*, discuss matters pertaining to review of performance of Non-Independent Directors and the Board of Directors as a whole, review the performance of the Chairman of the Company (taking into account the views of other Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board of Directors to perform their duties both effectively and reasonably.

Board meetings - Functioning and Procedure

Calendar	The annual calendar of the Board & Committee meetings and AGM are decided and circulated to the directors in the beginning of the calendar year, in advance.
Frequency	The Board meets at least once a quarter to review the quarterly financial results and other items of the agenda. Whenever necessary, additional meetings are held. Only in case of business exigencies or urgency of matters, resolutions are passed by circulation.
Location	The mode of attending the Board & Committee meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board and Committee meetings.
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 its committees.
Board material / agenda distributed in advance	Meetings are governed by the structured agenda. The agenda for each Board and Committee meeting is circulated well in advance to the Board and Committee members. The agenda items are backed by the comprehensive agenda notes.
Presentations by management	The Board is given presentations covering finance, sales, performance, Technology and updates on major business segments, operations of the Company / subsidiaries, global business environment including business opportunities, business strategy, ESG framework and the risk management practices, changes in applicable law.
Access to employees	The directors are provided free access to communicate with the officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board 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 inter-alia 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 business as well as on the strategy, minutes of subsidiaries, minutes of all the Board Committees, details of the 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. Any 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 THE DATE OF THIS REPORT

As on 31st March, 2025, none of the Non-Executive Directors of the Company except as stated below was holding any equity shares or convertible instruments in the Company.

S. No.	Name of Director(s)	No. of Equity Shares	No. of Convertible Instruments
1.	Mrs. Shradha Suri (Independent Director)	145	NIL

DETAILS OF EQUITY SHARES AND CONVERTIBLE INSTRUMENTS HELD BY KEY MANAGERIAL PERSONNEL OF THE COMPANY AS ON THE DATE OF THIS REPORT

S. No.	Name of Key Managerial Personnel's	No. of Equity Shares*	Percentage of Shareholding	No. of Convertible Instruments
1.	Vivek Vikram Singh (Managing Director and Group Chief Executive Director)	2,12,550	0.03%	NIL
2.	Vikram Verma Vadapalli (Whole Time Director)	311,042	0.05%	NIL
3.	Rohit Nanda Group Chief Financial Officer and Chief Risk Officer)	NIL	NIL	NIL
4.	Ajay Pratap Singh (Senior Vice President- Group General Counsel, Company Secretary and Compliance Officer	18,768	0.003%	NIL

* All the equity shares allotted to them by the Company pursuant to exercise of Options vested under the ESOP Schemes of the Company.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

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

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, Business Heads and Group CFO also makes presentations in every quarterly meeting of the Board of Directors, in order to facilitate clear understanding of the business of the Company and the environment in which the Company operates.

The Company is an auto technology Company with focus on technological advancement in the mobility. In Board meetings, discussions are focused on business strategy, update on mergers and acquisitions, cyber

security, governance, compliances, ESG related matters, technological updates and operational and functional matters which provide good insights on the businesses carried on by the Company to the Independent Directors. These sessions also involve interactions with Senior Management. To make these sessions more productive, all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole, are provided at least 3 days' in advance of the meetings.

Further, monthly regulatory and statutory amendments/ updates are shared with the directors giving them an update on the material amendments in the regulatory framework applicable to the Company and its impact on the Company. The directors also visits the Company's Plants, which helps them to get first-hand understanding about the operations of the Company.

The details of such familiarisation programmes for Independent Directors are put up on the website of the Company and can be accessed at <https://sonacomstar.com/policies-and-codes>

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

The Board of Directors of the Companies in its meeting held on 14th March, 2024, based on the recommendation of Nomination and remuneration Committee meeting, has amended the skills/expertise/competencies required by the directors of the Company.

The directors of the Company confirmed that they possess the following skills/expertise/competencies:

Name of Directors	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
Mr. Sunjay Kapur*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vivek Vikram Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vikram Verma Vadapalli	✓	✓	✓	✓	✓	✓	-	✓	✓
Mrs. Shradha Suri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jeffrey Mark Overly	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Manisha Girotra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Pradip Manilal Kanakia	✓	✓	✓	✓	-	✓	✓	✓	✓
Mr. Karamendra Daulet Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vineet Mittal	✓	✓	✓	✓	-	✓	✓	✓	✓
Mrs. Priya Sachdev Kapur ^	✓	✓	✓	✓	-	✓	-	-	-

*Mr. Sunjay Kapur, Chairman and Non-Executive Director, ceased to be a director of the company due to his unfortunate demise on 12th June, 2025.

^ Mrs. Priya Sachdev Kapur was appointed as the Non-Executive Director of the Company w.e.f 23rd June, 2025, subject to approval of the shareholders in the ensuing Annual General Meeting.

DIRECTOR AND OFFICER LIABILITY INSURANCE (D&O)

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy. The Directors and Officers Liability Insurance (D&O) is taken by the Company on behalf of 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 guilty in relation to the Company.

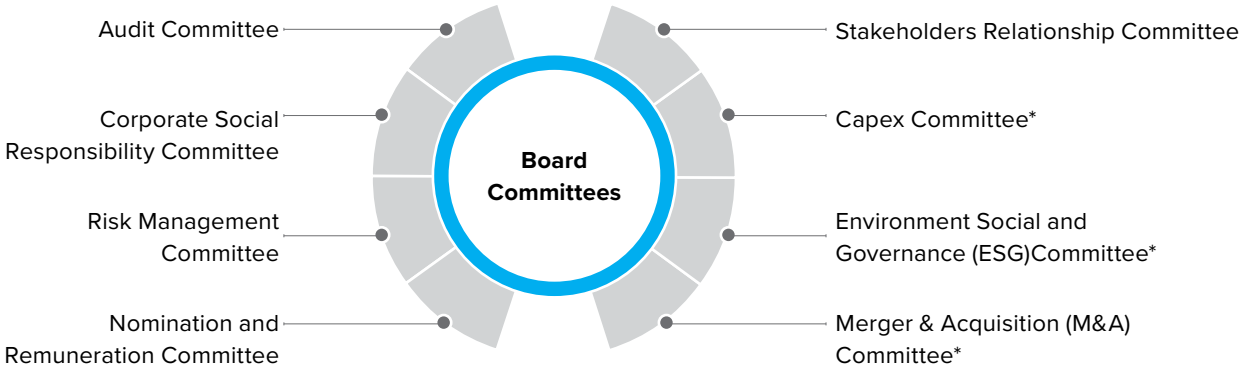
6. BOARD COMMITTEES

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

The Board has constituted the following five statutory committee's viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee to carry out clearly defined roles, the terms of reference of these Committees of the Board is also available on the website of the Company at <https://sonacomstar.com/files/policy/terms-of-reference-of-the-committees-policy-IAA7NT.pdf>. In addition to above, the Board also has three non-statutory committees namely, Environment, Social and Governance (ESG) Committee, Capex Committee and Merger and Acquisition (M&A) Committee. The term of reference of the committees of the Board has been defined by the Board and their relevance is reviewed from time to time. Mr. Ajay Pratap Singh, Company Secretary of the Company acts as the Secretary to all these committees of the Board.

The agenda for each committee meetings is finalised in consultation with the respective chairperson of the meeting and the Chairperson of the respective Committee informs the Board about the summary of the discussions held in the Committee meetings prior to the Board Meeting. The minutes of the committee meetings are finalised in consultation with the respective chairperson of the committee and are circulated to all the members of the respective committees, which are confirmed by the respective committees in its meeting and take note of by the Board in the subsequent meeting.

During the year, all recommendations made by the Committees of the Board which were mandatorily required have been accepted by the Board.



*Non-Statutory Committee

i. AUDIT COMMITTEE

The Audit Committee of the Board is fully independent and comprises of 3 (three) Independent Directors. All the members of the Audit Committee are financially literate and have relevant experience in financial management. Members of the Senior Management team are also invited to attend meetings. Apart from the above, the statutory auditors, external firms working on compliance audit, cyber security and other projects of the Company and its subsidiaries are also invited to make representations before the Audit Committee.

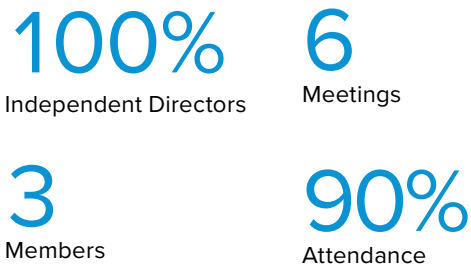
The composition and role of the Audit Committee is as per the requirement of Section 177 of the Act and rules made thereunder and the Listing Regulations. The Audit Committee is also governed by its charter to ensure effective compliance. The Charter is reviewed from time to time to maintain conformity with the regulatory framework.

As a matter of Good Corporate Governance practices, during the year under reivew, the Committee met with the Statutory Auditors and Internal 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 and the Statutory Auditors are also invited to present the quarterly report before the Audit Committee.

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

Composition and Attendance (in brief):



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 2024-25 are detailed below:

Name of Directors	Nature of Membership	Audit Committee Meetings Dates						Eligible to attend the Meeting	Attended	% of attendance
		30 th April, 2024	24 th July, 2024	3 rd September, 2024	23 rd October, 2024	23 rd January, 2025	10 th March, 2025			
Mr. Pradip Manilal Kanakia	Chairperson	-	✓	✓	✓	✓	✓	5	5	100
Mr. Jeffrey Mark Overly	Member	✓	✓	✓	✓	✓	✓	6	6	100
Mr. Karamendra Daulet Singh*	Member	-	-	-	-	✓	✓	2	2	100
Mr. Subbu Venkata Rama Behara ^	Chairperson	✓	-	-	-	-	-	1	1	100
Mr. Prasan Abhaykumar Firodia ^	Member	-	✓	✓	-	-	-	4	2	50

*Mr. Pradip Manilal Kanakia was appointed as Chairperson of the Committee w.e.f. 5th July, 2024.

* Mr. Karam Daulet-Singh was appointed as a Member of the Committee w.e.f. 24th October, 2024.

^ Mr. Subbu Venkata Rama Behara, Independent Director retired on 4th July, 2024 due to completion of tenure.

^ Mr. Prasan Abhaykumar Firodia, Independent Director resigned from the directorship of the Company w.e.f. 23rd October, 2024.

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

Audit Integrity

The Company has appointed independent auditors to conduct statutory audit, internal audit and secretarial audit. The Audit Committee meets the auditors separately without the presence of the Management to review and monitor the effectiveness of audit process and timely availability of information's / data from 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 ("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.

Roles and Responsibilities: The Committee shall have the following authority, roles and responsibilities: A. Related to Financial Statements: - Reviewing 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 judgment by management; - Significant adjustments made in the financial statements arising out of audit findings; - Compliance with listing and other legal requirements relating to financial statements; - Disclosure of any related party transactions; - Modified opinion(s) in the draft audit report. - Review the financial statement, in particular, the investment made by unlisted Subsidiary; - Evaluating internal financial controls and risk management systems; - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; - Overseeing our Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; - Review the management discussion and analysis of financial condition and results of operations. B Related to Auditors of the Company: - Recommending 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. - Approving 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; - Reviewing and monitoring the statutory auditor’s independence and performance, and effectiveness of audit process; - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; - Reviewing the internal audit reports relating to internal control weaknesses; - Discussing with internal auditors of any significant findings and follow up there on; - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our board; - Reviewing 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 such other policies of the Company as approved by its Board; - Reviewing the functioning of the whistle blower mechanism/vigil mechanism to report genuine concerns or grievances; - Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 atleast 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 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; - Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments. 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; - To 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; - Reviewing 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. - Review the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; - Carrying out any other functions as mentioned in this Charter and any other terms of reference as may, be decide by the Board and/or specified /provided under the Companies Act, the Listing Regulation or by any other regulatory authority(ies); - Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
			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. 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.

● **Meetings**

- The Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
- The quorum for Committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
- The Committee shall undertake an annual performance evaluation of its own effectiveness and submit it to the Board.
- The Committee shall, atleast once in a year, meet separately with the internal auditors, statutory auditors and/or secretarial auditors, without the presence of management.

ii. **Nomination and Remuneration Committee**

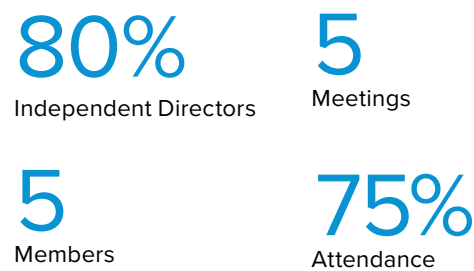
As on 31st March, 2025, the Nomination and Remuneration Committee (**NRC**) comprises of 5 (five)

non-executive directors, of whom four members including the Chairperson of the Committee are independent directors.

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

The composition and role of the NRC is as per the requirement of Section 178 of the Act and rules made thereunder and the Listing Regulations.

Composition and Attendance (in brief):



The NRC Committee has the following terms of reference:

The scope and functions of the NRC are in accordance with Section 178 of Act and the Listing Regulations, as amended, from time to time, which is available on the website of the Company at <https://sonacomstar.com/files/policy/terms-of-reference-of-the-committees-policy-IAA7NT.pdf> and are set forth below:

- Formulating the criteria for determining qualifications, positive attribute and independence of a director and recommending to our Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;
- Identifying a person who qualify to become Director or who may, be appointed in Senior Management in accordance with the criteria laid down, recommending to the board their appointment and removal and specify the manner of effective evaluation of the performance of our Board, its committees and individual directors to be carried out either by our Board, its Committees and individual directors to be carried either by our Board, by the Nomination and Remuneration Committee or by an independent external agency and reviews its implementation and compliance;
- For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may,;
 - o Use the services of an external agencies, if required;
 - o Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - o Consider the time commitments of the candidates.
- Formulating criteria for evaluation of performance of the Independent Directors and the Board;

- Devising a policy on Board Diversity;
- Determining whether to extend or to continue the term of appointment of Independent Director, on the basis of report of performance evaluation of Independent Directors;
- Recommend to our Board, all remuneration, in whatever form, payable to Senior Management;
- Performing such other activities as may, be delegated by the Board and/or specified /provided under the Companies Act, the SEBI Listing Regulations, and any applicable law or by any other regulatory authority.

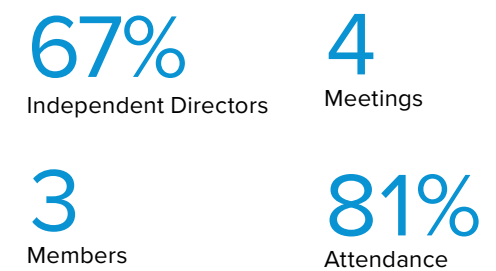
SUCCESSION PLANNING

The Company believes that sound succession plans for the Board Members and Senior Management are very important for creating a robust future for the Company and the NRC of the Company 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 Listing Regulations and the Succession Planning Policy of the Company is available on the website of the Company at <https://sonacomstar.com/policies-and-codes>.

iii. **Corporate Social Responsibility Committee**

As on 31st March, 2025, the CSR Committee comprises of 3 (three) non-executive directors, of whom 2 (two) members are independent directors. The composition and role of the Corporate Social Responsibility Committee is as per the requirement of Section 135 of the Act and rules made thereunder.

Composition and Attendance (in brief):



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 2024-25 are detailed below:

Name of Directors	Nature of Membership	Nomination and Remuneration Committee Meeting Dates					Eligible to attend the Meeting	Attended	% of attendance
		30 th April, 2024	27 th June, 2024	23 rd October, 2024	23 rd January, 2025	26 th March, 2025			
Mr. Jeffrey Mark Overly	Chairperson	✓	✓	✓	✓	✓	5	5	100
Mr. Sunjay Kapur [#]	Member	✓	✓	✓	✓	✓	5	5	100
Mrs. Shradha Suri	Member	-	-	✓	✓	✓	5	3	60
Ms. Manisha Girotra	Member	-	✓	✓	-	✓	4	3	75
Mr. Karamendra Daulet Singh [*]	Member	-	-	-	✓	✓	2	2	100
Mr. Subbu Venkata Rama Behara [^]	Member	✓	✓	-	-	-	2	2	100
Mr. Amit Dixit ^{^^}	Member	✓	-	✓	-	-	3	2	67
Mr. Prasan Abhaykumar Firodia ^{^^^}	Member	-	-	-	-	-	3	0	0

[#] Mr. Sunjay Kapur ceased to be a member of the committee due to his unfortunate demise on 12th June, 2025.

^{*} Mr. Karamendra Daulet Singh was appointed as a member of the Committee w.e.f. 24th October, 2024.

[^] Mr. Subbu Venkata Rama Behara retired due to completion of his tenure of directorship w.e.f 4th July, 2024

^{^^} Mr. Amit Dixit resigned from the directorship of the Company w.e.f. 11th December, 2024.

^{^^^} Mr. Prasan Abhaykumar Firodia resigned from the directorship of the Company w.e.f. 23rd October, 2024.

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

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 2024-25 are detailed below:

Name of Directors	Nature of Membership	Corporate Social Responsibility Committee Meeting Dates				Eligible to attend the Meeting	Attended	% of attendance
		25 th April, 2024	23 rd October, 2024	23 rd January, 2025	26 th March, 2025			
Mr. Sunjay Kapur [#]	Chairperson	✓	✓	✓	✓	4	4	100
Mrs. Shradha Suri	Member	✓	✓	✓	✓	4	4	100
Ms. Manisha Girotra	Member	✓	✓	-	✓	4	3	75
Mr. Prasan Abhaykumar Firodia [^]	Member	✓	-	-	-	2	1	50

[#] Mr. Sunjay Kapur, ceased to be the Chairperson of the Committee due to his unfortunate demise on 12th June, 2025. The CSR Committee stands re-constituted w.e.f. 23rd June, 2025.

[^] Prasan Abhaykumar Firodia resigned from the directorship of the Company w.e.f. 23rd October, 2024.

Mr. Ajay Pratap Singh, Company Secretary of the Company acts as the Secretary to 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 Act.
- 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.

iv. Stakeholders Relationship Committee

As on 31st March, 2025, the Stakeholders Relationship Committee (SRC) comprises of 3 (three) directors and out of them 2 (two) including the chairperson are non-executive independent directors and one is executive

director. The Composition and role of the SRC is as per the requirement of Section 178 of the Act, 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 be accessed at <https://sonacomstar.com/files/policy/investor-grievance-redressal-policy-policy-hCONqg.pdf>

The Company also published 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 (in brief):

67%
Independent Directors

4
Meetings

3
Members

83%
Attendance

The composition along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2024-25 are as below:

Name of Directors	Nature of Membership	Stakeholders Relationship Committee Meeting Dates				Eligible to attend the Meeting	Attended	% of attendance
		30 th April, 2024	24 th July, 2024	23 rd October, 2024	23 rd January, 2025			
Mr. Karamendra Daulet Singh [*]	Chairperson	-	-	-	✓	1	1	100
Mr. Jeffrey Mark Overly	Member	✓	✓	✓	✓	4	4	100
Mr. Vivek Vikram Singh	Member	✓	✓	✓	✓	4	4	100
Mr. Prasan Abhaykumar Firodia [^]	Member	-	✓	-	-	3	-	33

^{*} Mr. Karamendra Daulet Singh is appointed as Chairperson of the Committee w.e.f. 24th October, 2024.

[^] Prasan Abhaykumar Firodia resigned from the directorship of the Company w.e.f. 23rd October, 2024

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

The SRC Committee has the following terms of reference:

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

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

Details of Shareholders'/Investors' Complaints:

During the Financial Year ended 31st March, 2025, a total of 7 (seven) complaints were received from the shareholders of the Company which were mostly related to dividend, requisition for physical copy of the Annual Report and one complaint related to dematerialisation of their physical shares. These complaints were duly resolved by the Company in co-ordination with its RTA to the satisfaction of the Shareholders.

As on date, no complaint is pending regarding the share transfers pertaining to the year under review. The details relating to the number of complaints received and redressed during the Financial Year 2024-25 are as under:

No. of Investor/Shareholders complaints pending at the beginning of the Financial Year 2024-25	No. of Investor/Shareholders complaints received during the Financial Year 2024-25	No. of Investor complaints not solved to the satisfaction of shareholders during the Financial Year 2024-25	No. of Investor complaints pending at the end of the Financial Year 2024-25
Nil	7	Nil	Nil

V. Risk Management Committee

As on 31st March, 2025, the Risk Management Committee (RMC) comprises of 4 (four) directors, out of which 2 (two) are non-executive independent director including the Chairperson of the Committee and 1(one) is non-executive director and 1 (one) is executive director. The Composition and role of the Risk Management Committee is as per the requirement of the Listing Regulations.

Composition and Attendance (in brief):

50%
Independent Directors

2
Meetings

4
Members

88%
Attendance

The composition of the Risk Management Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2024-25 are detailed below:

Name of Directors	Nature of Membership	Risk Management Committee Meeting Dates		Held during tenure	Attended	% of attendance
		24 th July, 2024	23 rd January, 2025			
Mr. Jeffrey Mark Overly	Chairperson	√	√	2	2	100
Mr. Sunjay Kapur [#]	Member	√	√	2	2	100
Mr. Vivek Vikram Singh	Member	√	√	2	2	100
Ms. Manisha Girotra	Member	√	-	2	1	50

[#] Mr. Sunjay Kapur, ceased to be a member of the committee due to his unfortunate demise on 12th June, 2025.

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.

vi. Environment, Social and Governance Committee

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. As on 31st March, 2025, the Environment, Social and Governance (ESG) Committee comprises of 4(Four) directors, of whom 2 (two) members including the Chairperson of the Committee are independent directors, and 1 (one) executive director and 1 (one) non-executive 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):

50%
Independent Directors

1
Meetings

4
Members

100%
Attendance

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 2024-25 are detailed below:

Name of Directors	Nature of Membership	Environment, Social and Governance Committee Meeting Dates		Attended	% of attendance
		10 th March, 2025	Held during tenure		
Mr. Jeffrey Mark Overly	Chairperson	√	1	1	100
Mr. Sunjay Kapur [#]	Member	√	1	1	100
Mr. Vivek Vikram Singh	Member	√	1	1	100
Mr. Vineet Mittal [*]	Member	-	-	-	-

[#]Mr. Sunjay Kapur, ceased to be a member of the committee due to his unfortunate demise on 12th June, 2025. The ESG Committee stands re-constituted w.e.f. 23rd June, 2025.

^{*} Mr. Vineet Mittal inducted as a member of the Committee w.e.f. 10th March, 2025.

vii. Capex Committee

Allocation of the capital decisively is an important task 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 reviews the status of expenditure on half-yearly basis.

As on 31st March, 2025, the Capex Committee comprises of (2) two non-executive directors of whom the chairperson is non-executive director. The role of the Committee is to approve new capex and shall also monitor the cash out flow granularly in an effective manner.

Composition and Attendance (in brief):

50%
Independent Directors

3
Meetings

2
Members

100%
Attendance

The composition of the Capex Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2024-25 are detailed below:

Name of Directors	Nature of Membership	Capex Committee Meeting Dates			Eligible to attend the Meeting	Attended	% of attendance
		24 th July, 2024	23 rd October, 2024	10 th March, 2025			
Mr. Sunjay Kapur [#]	Chairperson	✓	✓	✓	3	3	100
Mr. Jeffrey Mark Overly	Member	✓	✓	✓	3	3	100

[#]Mr. Sunjay Kapur, ceased to be the Chairperson of the Committee due to his unfortunate demise on 12th June, 2025. The Capex Committee stands re-constituted w.e.f. 23rd June, 2025.

viii. Mergers & Acquisition Committee

The Board of Directors in its meeting held on 30th April, 2024, has constituted Mergers and Acquisition Committee (**M&A Committee**) of the Board of Directors with the objective of assessing the vitality of each of the target Company and for detailed deliberation and discussion of each project, which will save lot of time of the Board. The role of the M&A Committee shall include:

- a. To review, evaluate, scrutinise 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.

- 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
Ms. Manisha Girotra	Member - Independent Director
Mr. Vivek Vikram Singh	Member - Managing Director and Group CEO

[#] Mr. Sunjay Kapur, ceased to be Chairperson of the committee due to his unfortunate demise on 12th June, 2025.

7. GENERAL BODY MEETINGS

- a) Details of the 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.

YEAR	LOCATION	DATE & TIME	Days of Closure of financial year	WHETHER ANY SPECIAL RESOLUTIONS PASSED	SPECIAL RESOLUTION PASSED IN THE AGM BY SHAREHOLDERS	Web link for webcast/ transcripts	Percentage of Voting (%)
2024	Video Conferencing/ other audio-visual means	28 th June, 2024 at 12:00 PM (IST)	89 days	No	-	https://sonacomstar.com/investor/meetings	-
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. 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	https://sonacomstar.com/investor/meetings	98.85 93.46

YEAR	LOCATION	DATE & TIME	Days of Closure of financial year	WHETHER ANY SPECIAL RESOLUTIONS PASSED	SPECIAL RESOLUTION PASSED IN THE AGM BY SHAREHOLDERS	Web link for webcast/ transcripts	Percentage of Voting (%)
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. 2. To approve the remuneration of Mr. Vivek Vikram Singh (DIN: 07698495), Managing Director and Group Chief Executive Officer of the Company	https://sonacomstar.com/investor/meetings	95.84 95.94

- b) Whether any special resolution passed last year through postal ballot – details of voting pattern.

Yes, during the year under review, the following resolutions were passed by the shareholders of the Company by e-voting through Postal Ballot process:

S. No.	Resolution(s)	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 Mr. Pradip Manilal Kanakia (DIN.: 00770347), as an Independent Director of the Company.	Special	490,600,513	470,078,121 (95.82%)	20,522,392 (4.18%).
2.	To consider and approve raising of capital through issuance of equity shares or other eligible convertible securities for an amount not exceeding INR 2,400 Crores.	Special	490,601,253	486,320,375 (99.13%)	4,280,878 (0.87%)
3.	To approve the appointment of Mr. Karamendra Daulet Singh (DIN:00110827), as Independent Director of the Company.	Special	529,389,926	520,776,496 (98.37%)	8,613,430 (1.67%)
4.	To approve the appointment of Mr. Vineet Mittal (DIN:00058552), as an Independent Director of the Company.	Special	532,308,119	524,038,237 (98.45%)	8,269,882 (1.55%)
5.	To approve the appointment and payment of remuneration to Mr. Vikram Verma Vadapalli (DIN:03631259), as a Whole Time Director of the Company.	Ordinary	532,317,726	464,092,583 (87.18%)	68,225, 143 (12.82%)

- c) Person who conducted the postal ballot exercise.

During the financial year under review, Mr. Ankit Singhi, Partner of M/s. PI & Associates, Practicing Company Secretaries, was appointed by the Board of the Company as the scrutiniser (**Scrutiniser**) for conducting all 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.

In compliance with Regulation 44 of the Listing Regulations, Sections 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and the General Circulars issued in this regard by the MCA, the Company provided electronic voting facility to all its members.

The Company had engaged the services of National Securities Depository Limited (**NSDL**) for the purpose of providing electronic voting facility to all its members. The Board of Directors of the Company had 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 scrutiniser for carrying out the aforesaid Postal Ballot voting process through electronic means in a fair and transparent manner.

The Postal Ballot Notice was sent to the members in electronic form at their email addresses registered with the depositories/Kfin Technologies Limited, the Company's Registrar and Share Transfer Agent ("RTA"). The Company had also published the notice in the newspapers declaring the details of completion of dispatch of Postal Ballot Notice, e-voting details, and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by ICSI. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. All the Postal Ballot notices are available on the Company's website at <https://sonacomstar.com/investor/postal-ballot>.

The Scrutiniser submitted his report, to the Chairman of the Company within the statutory timelines prescribed under the applicable laws and thereafter the said report along with the consolidated results of the voting by Postal Ballot were then placed on the Company's website at <https://sonacomstar.com/investor/postal-ballot> and on the website of the Stock Exchanges and NSDL in accordance with the Regulation 44(3) of the Listing Regulations and Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and secretarial standard -2 issued by the Institute of Company Secretaries of India (ICSI). The details of all postal ballots are available on the Company's website at <https://sonacomstar.com/investor/postal-ballot>.

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 a Policy for evaluation of the Performance of the Board of Directors, which was duly approved by the Board of Directors and has been published on the website of the Company at <https://sonacomstar.com/policies-and-codes>

In addition, in terms of the requirements 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 the performance of all the directors individually. The Board formally assesses its own performance with an aim of improving the effectiveness of the Board and its Committees.

The criteria of evaluation of Board are based on the "Guidance note on Performance Evaluation" issued by

the SEBI on 5th January, 2017, and in compliance with provisions of the Act and the Listing Regulations.

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.

A structured questionnaire covering above aspects related to the functioning of Board were circulated to all the directors.

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. The feedback from members and the action suggested by the NRC and Board are discussed at the respective meetings of the Committees of the Board of Directors for taking necessary action.

Evaluation by Independent 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 Management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Criteria for Individual Director

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

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

Criteria for Chairman

The directors of the Company evaluated the performance of the Chairman 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 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.

Feedback

The summary of the performance evaluation on consolidated and anonymous basis was circulated to:

- Each director, specifying his individual rating and feedback received from other directors.
- Chairperson of the Board, specifying the rating and feedback received for Board as a whole, Committees and Individual Directors.
- Chairperson of the NRC specifying the rating and feedback received for Individual Directors and Chairperson of Board.
- Lead Independent Director specifying the consolidated report of the outcome for (a) Board as a whole (b) Chairman; and (c) Non-Independent Director by Independent Directors (IDs) of the Company.

The Chairperson of the NRC Committee and Chairperson of the Board also conducted one-to-one interaction with all the directors of the Company. The individual rating and feedback received from other directors on consolidated anonymous basis was shared with the individual directors.

The outcome was shared with NRC, and Board of Directors and at a separate meeting of the Independent Directors held on 30th April, 2025.

Results of Evaluation

Based on the feedback received from the individual directors and the recommendations made by them, the actionable areas have been identified. The summary of the action points will be placed before the Board and respective committee meetings. Broadly, the Directors have expressed their satisfaction with the evaluation process and the outcome. The overall feedback was positive.

Other Corporate Policies

The details of the policies adopted by the Company as required under the Companies Act, 2013, the applicable Securities and Exchange Board of India (SEBI) Regulations and other applicable laws along with the gist of the changes, if any, made in the policies during the financial year under review are annexed as **Annexure -K** to the Annual s report.

The Company has also published all Ethical Compliance policies on its website, which can be accessed at <https://sonacomstar.com/policies-and-codes> and the Company reviewed them and updated them from time to time as a good corporate governance practises.

9. NOMINATION AND REMUNERATION POLICY AND REMUNERATION PAID TO DIRECTORS

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

Pursuant to the amendments brought in the Listing Regulations by Securities and Exchange Board of India ("SEBI") vide its notification dated 12th December, 2024, the Nomination and Remuneration Policy of the Company has been revised, which is available on our website, at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-DqCLrU.pdf>

The Nomination and Remuneration Committee determine and recommends to the Board, the compensation payable to the Directors, Key Managerial Personnel (**KMP**) and Senior Management of the Company. The compensation of directors is within the limits prescribed under the applicable law and as within the limits approved by the shareholders of the Company. Remuneration for the Executive Directors, KMP and Senior Management comprises of fixed components and variable components, including employees stock options, which is governed by the ESOP Schemes of the Company, as approved by the shareholders of the Company.

The Nomination and Remuneration Committee makes a periodic appraisal of the performance of the 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 or any Committee thereof, as approved by the Board of Directors and annual commission proportionate to their term of appointment.

Details of remuneration paid to Directors during the Financial Year 2024-25:

i. Remuneration paid to the Managing Director and Group Chief Executive Officer, Whole Time Director and the Key Managerial Personnel (KMP) for the Financial Year ended on 31st March, 2025.

Remuneration of the Managing Director & Group Chief Executive Officer, Whole Time Director and KMP of the Company 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, Whole Time Director and the KMP during the financial year ended on 31st March, 2025:

(INR in million)							
Name of Managing Director/ KMP	Vivek Vikram Singh (Managing Director & Group CEO)#		Vikram Verma Vadapalli (Whole-Time Director)^	Rohit Nanda (Group CFO)®		Ajay Pratap Singh (Sr. Vice President -Group General Counsel, Company Secretary & Compliance Officer)*	
Financial Year	2024-25	2023-24	2024-25	2024-25	2023-24	2024-25	2023-24
Salary (including perquisites)	21.87	19.59	4.33	21.43	18.99	7.04	6.22
Variable Pay	9.85	15.98	7.87	8.69	10.50	2.96	3.49
ESOP Perquisite Value	2.37	107.78	No ESOP exercised after appointment as Whole Time Director	No ESOP exercised during FY 2024-25	60.44	2.96	22.81
Total	34.09	143.35	12.20	30.13	89.94	12.96	32.53

Mr. Vivek Vikram Singh was granted 1,103,400 options under Sona BLW Precision Forgings Limited – Employee Stock Option Plan – 2023 (ESOP - 2023) and these options to be vested in four equal tranches. During the financial year under review, Mr Singh has exercised 2,75,850 options, the perquisite value of which is INR – 2.37 million. There was an increase of 9.25% 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. Verma is appointed as a Whole Time Director of the Company w.e.f. 24th January, 2025 and the above-mentioned Salary (excluding the variable payment, which is paid in April, 2025 for FY 2024-2025) pertain for the period of his appointment as Whole Time Director of the Company i.e. from 24th January, 2025 to 31st March, 2025. Mr. Verma was granted 7,02,000 Options under the ESOP -2023, and these options to be vested in four equal tranches. During the financial year, Mr. Verma has exercised 1,00,000 options prior to appointment as Whole Time Director of the Company, the perquisite value of which is INR 17.47 million.

® Mr. Rohit Nanda was granted 562,000 options under the ESOP - 2023. During the financial year, he did not exercise any options under the ESOP – 2023. There was an increase of 9.25% 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 (ESOP - 2020) and 2,14,800 options under the ESOP - 2023. During the financial year, Mr. Ajay has exercised 3,000 options under ESOP – 2020 and 8,000 options under the ESOP - 2023, the perquisite value of which is INR 2.96 million. There was an increase of 19% in his remuneration during the financial year.

ii. Remuneration paid to the Non-Executive Directors for the Financial Year ended on 31st March, 2025

The Company does recognise 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 3rd May, 2023 has revised the sitting fees and commission payable to Non-Executive and Independent Directors of the Company with effect from 1st April, 2023. The revised sitting fees of attending the meetings which 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) fix commission of INR 55 lakhs per annum to each independent Directors (except Mr. Jeffrey Mark Overly to whom the total fix commission payable is USD 100,000 per annum).

Details of the remuneration paid to the Non-Executive Directors for the services rendered during the Financial Year 2024-25, are as follows:

(INR in million)			
DIRECTORS	SITTING FEES	COMMISSION	TOTAL
Mr. Sunjay Kapur*	NA	24.00	24.00
Mr. Prasan Abhay Kumar Firodia	0.12	3.10	3.22
Mr. Amit Dixit	NA	-	-
Mr. B.V.R. Subbu	0.06	1.43	1.50
Mrs. Shradha Suri	0.21	5.50	5.71
Mr. Jeffrey Mark Overly	0.48	8.56	9.04
Ms. Manisha Girotra	0.15	5.50	5.65
Mr. Pradip Manilal Kanakia	0.21	4.13	4.34
Mr. Karamendra Daulet Singh	0.14	2.40	2.5
Mr. Vineet Mittal	0.04	1.01	1.05

* Mr. Sunjay Kapur ceased to be the Chairman of the Company due to his unfortunate demise on 12th June, 2025.

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 during the financial year 2024-25. 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 being 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 Companies Act, Listing Regulations and other applicable laws. He interfaces between the Company and regulatory authorities on governance matters.

CEO & CFO CERTIFICATION

The Managing Director & Group CEO and 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, a copy of which was placed before the Board of Directors in their meeting held on 30th April, 2025 and is annexed as **Annexure- L** 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. Such timely disclosures indicate the good corporate governance practices of the Company.

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) along with the QR code of link of the full financial results along with the auditor's report uploaded on the website of the Company.

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.

During the financial year, the unaudited quarterly results were announced within 25 days from the closure of each quarter, against the requirement to announced within 45 (forty-five) days of the closure of each quarter, other than the last quarter. The audited annual results were announced within 30 (thirty)days from the end of the financial year against the requirement to announced within 60 (sixty) days from the end of the financial year as required under the Listing Regulations.

The aforesaid 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.

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 have 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, presentations 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

The Company has released the press release for each of the quarterly financial results of the Company and all other corporate developments and uploaded the same on the website of stock exchanges and on its website at <https://sonacomstar.com/investor/investor-presentations>

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 is sending the Annual Report and AGM notices for the year 2024-2025 through e-mails to those members who has 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 einward.ris@kfintech.com
Investors Charter and FAQs for the Shareholders	The Investor Relations page of the Company's website provides Investors Manual which contains both Investor's Charter specifying the rights of the investors under various applicable laws and protection of minority shareholders from oppression and mismanagement 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 voluntarily placed shareholders survey page on its website to facilitate the engagement of Shareholders and is an endeavour to improve shareholders services which can be assessed at https://sonacomstar.com/shareholders-survey
Reminder emails	Reminders are, <i>inter alia</i> , sent to shareholders for registering their PAN, KYC & nomination detail, bank details and unclaimed dividend thereto.
Investor Presentation	The presentations on performance of the Company are placed on the Company's website before investor call/meeting, for all the stakeholders. 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 also uploads the audio recordings and transcript of such calls on the website of the Company at https://sonacomstar.com/investor/investor-presentations.
Green Initiative	All agenda papers for the Board and Committee meetings are disseminated electronically through e-mail and NASDAQ Boardvantage platform software.

GENERAL SHAREHODLER'S INFORMATION

1.	Date, time and venue of the Annual General Meeting	Friday, 25 th July, 2025 at 01:00 p.m. (IST) through video conferencing (VC) / other audio-visual means (OAVM).
2.	Financial Year	Financial year of the Company is from 1 st April, 2024 to 31 st March, 2025.
3.	Dividend payment	Interim Dividend: The Board of Directors in their meeting held on 23rd January, 2025 has declared an interim dividend of INR 1.60 (One Indian rupee and sixty paise only) per equity share of the Company having face value of INR 10 (Indian rupees ten only) each to only those shareholders whose names appear in the register of members / beneficial owners on 5th February, 2025. The dividend was paid on 15th February, 2025 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. Final Dividend: The Board of Directors at their meeting held on 30th April, 2025 has recommended payment of INR 1.60 (One Indian Rupee and sixty 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, 2025 to the shareholders of the Company. The final dividend will be paid only to those shareholders whose names appear in the register of members/beneficial owners on Friday, 4th July, 2025. The payment of final dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.
4.	Listing of Equity Shares at Stock Exchanges and Payment of Listing Fees	The Equity Shares of the Company are listed on the following exchanges: - 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 Further, the Company has paid the Annual listing fees to both above mentioned Stock Exchanges for FY 2025-26.

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

Not Applicable

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

SHARE TRANSFER SYSTEM

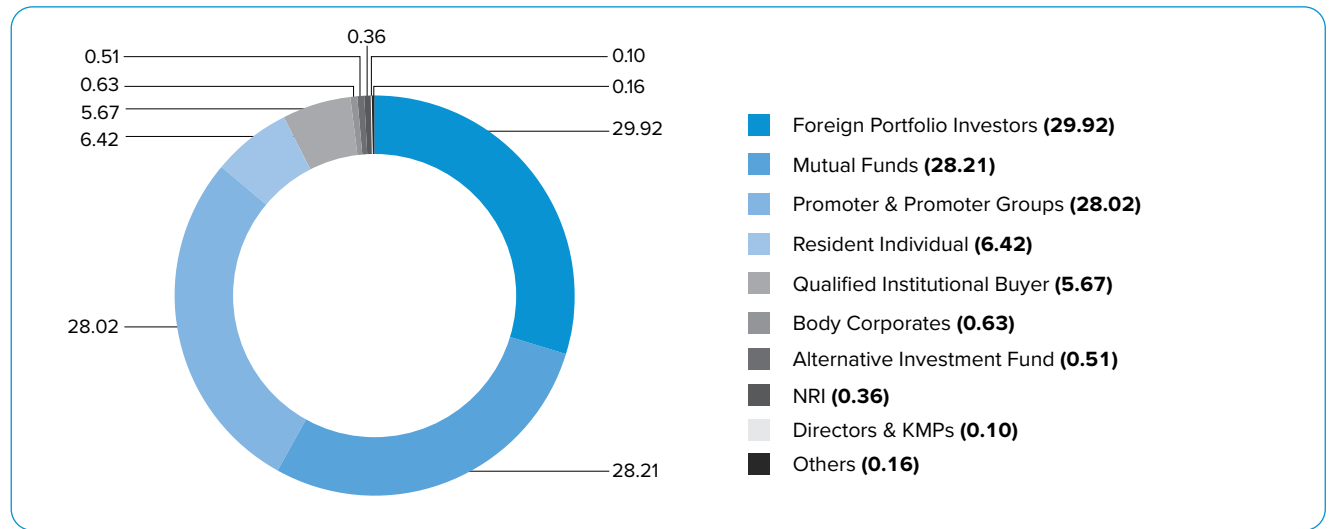
As mandated by SEBI, the securities of listed companies can only be transferred in dematerialised form and the shares can be transferred by shareholders only through their Depository Participant. As on 31st March, 2025, all the equity shares of the Company are in demat form.

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

Category of shareholding as on 31st March, 2025:

S.No.	Shareholders Category	No. of Shareholders	Total Shares	% (percentage of holding)
1.	Foreign Portfolio Investors	581	185,990,381	29.92
2.	Mutual Funds	29	175,359,766	28.21
3.	Promoter & Promoter Groups	6	174,210,655	28.02
4.	Resident Individual	395,261	39,868,045	6.42
5.	Qualified Institutional Buyer	13	35,262,875	5.67
6.	Body Corporates	1,026	3,935,879	0.63
7.	Alternative Investment Fund	25	3,199,911	0.51
8.	NRI	7,179	2,263,388	0.36
9.	Directors & KMPs	3	605,660	0.10
10.	Others (Banks, Trusts, HUFs, NBFCs and Clearing Members)	4,736	1,021,415	0.16
	Total	408,859	621,717,975	100

Shareholders Category



Details of top 10 public shareholders of the Company as on 31st March, 2025

S.No.	Shareholders Category	No. of Shareholders	% (percentage of holding)
1.	SBI LONG TERM ADVANTAGE FUND	53,564,349	8.62
2.	GOVERNMENT OF SINGAPORE	42,535,803	6.84
3.	ICICI PRUDENTIAL LARGE & MID CAP FUND	22,723,217	3.65
4.	MIRAE ASSET FOCUSED FUND	21,646,450	3.48
5.	AXIS MUTUAL FUND TRUSTEE LIMITED	18,185,809	2.93
6.	MONETARY AUTHORITY OF SINGAPORE	10,317,908	1.66
7.	CANARA ROBECO MUTUAL FUND	10,257,040	1.65
8.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED	9,885,066	1.59
9.	HDFC MUTUAL FUND	9,805,028	1.58
10.	LIFE INSURANCE CORPORATION OF INDIA	9,488,833	1.53
	Total	208,409,503	33.53

DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on 31st March, 2025, all the equity shares of the Company including the shareholding of Promotor and Promotor Group are in demat 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:

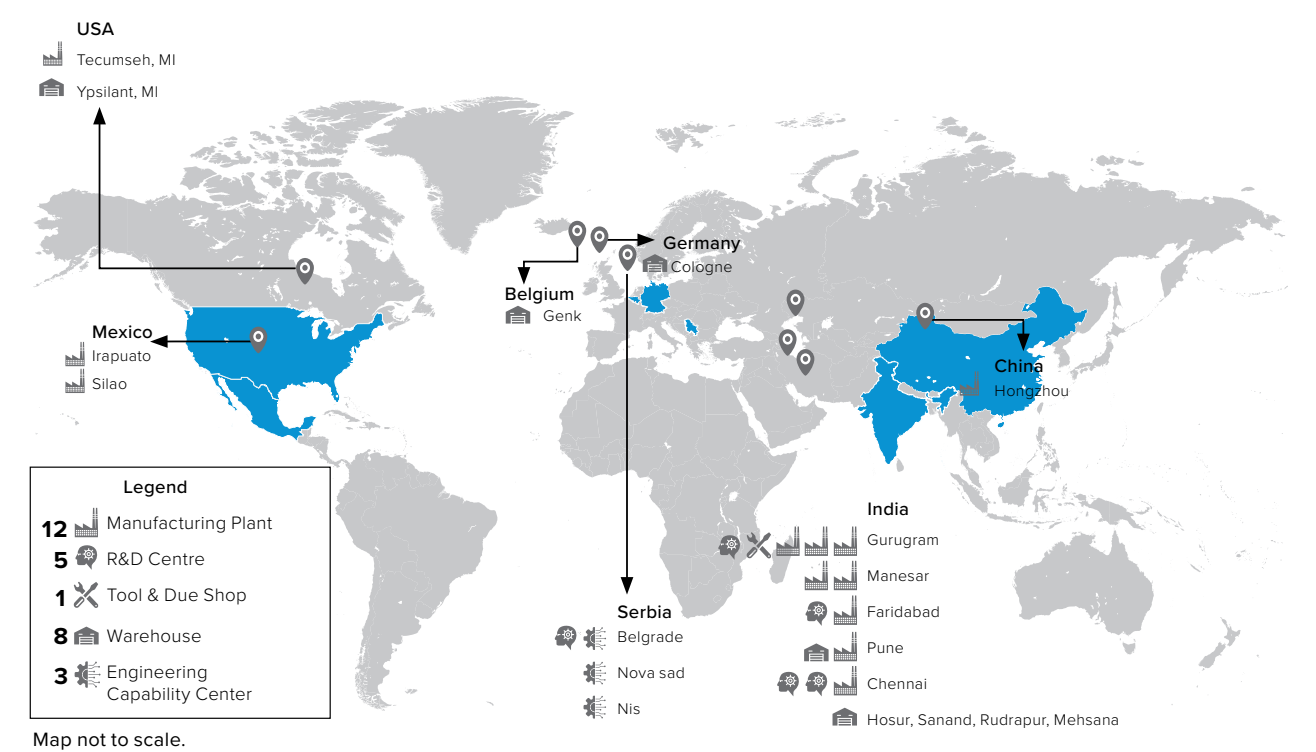
Description	As on 31 st March, 2025		
	No of Holders	No. of Shares	% to Total Shares
NSDL	120,421	588,560,566	94.67
CDSL	297,558	33,157,409	5.33
Total	417,979	621,717,975	100.00

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

As on 31st March, 2025, none of the equity shares of the Company are under Lock-in.

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

Not Applicable



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

Driveline Business

Gurugram Plants (Unit I, II and III)

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

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.

Plant Locations

As on the date of this report, your Company along with its subsidiaries has 12 (twelve) manufacturing and assembly plants India, China, Mexico and USA of which 8 (eight) are located in India.

Your Company's manufacturing facilities (manufacturing and assembly plant) are located at Gurugram, Manesar, Faridabad, Pune, Chennai, China, Mexico and USA. The following map shows the locations of our manufacturing and assembly plants, R&D centers, engineering capability centers, warehouses, tool and die shop to the date of this report.

Manesar Plant - I

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

Manesar Plant -II

Sector 2A, Industrial Estate, IMT Manesar, Gurugram, Haryana, 122050, India

Pune Plant

A-78/2, MIDC, Chakan Industrial Phase II Vill. Wasuli, Pune – 410 501, India

Motor Business

Chennai Plant

Keelakaranai Village, Malrosapuram Post Maraimalai Nagar Chengalpattu – 603 204 Tamilnadu, India

Railway Business

Plot No 114-115, Sector 24, Faridabad, Haryana, 121005

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.

Camino El Refugio Km 0+800, Colonia Otra No Especificada en el Catalogo, Localidad Menores, Silao de la Victoria, Guanajuato, Z.P. 36294, Mexico

China

Comstar Automotive (Hangzhou) Co., Ltd.

No: 557-1, Gaotang Road, Guali Xiaoshan, Hangzhou PRC, 311243 China.

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 an exclusive email ID for Investors for the purpose of registering complaints and the same has been published on the Company's website.

For all investor related matters, the grievances can be sent at:

Ajay Pratap Singh, Senior Vice President- Group General Counsel, Company Secretary and Compliance Officer

Sona BLW Precision Forgings Limited

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

E-mail: Investor@sonacomstar.com

Telephone: +91 0124 476 8200;

Further, the Institutional Investor(s) can contact for any grievances at:

Mr. Amit Mishra, Vice President-Investor Relations and Group CSR Head

Sona BLW Precision Forgings Limited

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

E-mail: amit.mishra@sonacomstar.com

Telephone: +91 0124 476 8200

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

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 are in the ordinary course of business and at arm's length basis.

The Audit Committee, during the Financial Year 2024-25, 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 framed 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 Company did not enter into any material related party transactions. The details of the related party transactions are set out in the note no. 36 to 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, no materially significant transaction was entered into by the Company with its related parties that may, have a potential conflict of interest with 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 and submitting disclosures of related party transactions to the Stock Exchanges in the prescribed format from time to time and also publishing the same on its website at <https://sonacomstar.com/investor/financial-information>

During the year under review, the Policy on Related Party Transactions was amended to affect the amendments brought in the Listing Regulations, by SEBI vide its notification dated 12th December, 2024. The Policy is disclosed on the Company's website at <https://sonacomstar.com/files/policy/policy-on-related-party-transactions-policy-AIIHMo.pdf>

Details of Non-Compliance

No penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market, during the period under review.

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

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 and are fully implemented by the management, particulars of which have been explained in greater detail as part of the Board's Report.

During the year, no personnel has been denied access to the Audit Committee.

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

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

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 can contribute to the overall skill-domain mix of the Board.

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 its 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, as part of its corporate governance practices.
- b) **Office for Non-Executive Chairman**
The Company maintained an office for the exclusive use of Mr. Sunjay Kapur*, Non-Executive Chairperson of the Company at one of its manufacturing premises including staff etc., the expenses 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. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit opinion.
- d) **Reporting of Internal Auditor**
The Internal Auditors of the Company report directly to Audit Committee after obtaining management input on the audit findings.
- e) **Shareholder Rights**
As a matter of Good Corporate Governance practice, the quarterly financial results of the Company are sent to those shareholders who have registered their email-ids with their respective Depository Participants (DP) and, the company also took the following voluntary initiatives for protecting the rights of its shareholders:

*Mr. Sunjay Kapur, Non-Executive Chairman of the Company ceased to be the Chairman of the Company due to his unfortunate demise on 12th June, 2025.

- a. For the ease of shareholders, the Company simplified the Frequently Asked Questions (**FAQs**) in Investor's Charter which is published on the website of the Company.
- b. 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>
- c. 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,which can be accessed at https://sonacomstar.com/files/shareholders_manual.pdf

- f) **Independent Directors Meetings**
During the year under review, the Independent Directors met twice on 30th April, 2024 and 10th March, 2025 without the presence of non-Independent Directors and management of the Company.

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:
- i. Focus on ethical issues, human rights, diversity & inclusion, fair work practices, sustainability across the Company and its value chain partners.
- ii. Third party audit on the Compliance framework.
- iii. Strengthening the framework on Risk Management, Cyber Security and Data Privacy framework.
- iv. Quarterly Secretarial Audit Report is placed before the Audit Committee and the Board.
- v. Quarterly Compliance certificates from all the department heads, giving the status of the compliances, are placed before the Audit Committee and the Board.
- vi. Meeting of the Auditors (Internal Auditors and Statutory Auditors) with the Audit Committee without the presence of management to discuss the process and flow of information for Audit, once in a year.
- vii. The Chairperson of all the Statutory Committee of the Board of the Company is an Independent Director, except for Chairperson of CSR Committee who is a Non-Executive Director.
- viii. Audit of CSR Projects are undertaken by the Company.

- ix. Voluntary impact assessment of CSR projects of the Company undertaken.
- x. Taking inputs from the Chairperson of the respective Committees and Board on the agenda and the minutes, before circulating to the larger group.
- xi. Implementation of various tools for monitoring the compliances status, as follows:

a) **Legal Risk Management System ("LRMS"):** Repository of Ethical policies framework and compliance modules. It gives a bird's eye view of the statutory compliance framework of the Company and status in real time.

b) **Insider Trading Tool:** To update any information required under the SEBI PIT Regulations and for providing rapid, accurate, and timely information on the trading done/to be done by the DP.

c) **Nasdaq Boardvantage Tool:** It is a board portal software with an intuitive 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.

d) **Zing HR Portal:** This portal is implemented for all the employees of the Company for training and awareness sessions on ethical and organisational policies of the Company.
- xii. Review and updation of the policies and codes from time to time for best corporate governance practices and conducting training with the employees, customers and vendors.
- xiii. The Company engages renowned international law firms for conducting training and orientation sessions for the employees, senior management and directors, in order to apprise them about the policies and Code of Conducts of the Company on Anti-Corruption & Bribery, Competition Laws, Anti Money laundering, Code of Conduct and Trade embargo.
- xiv. Trainings and awareness sessions and updates through flyers for its designated persons to prohibit insider trading and familiarising them with the requirement of the SEBI (PIT) Regulations.
- xv. The Company has strengthened mechanisms to ensure anonymity and protection under the Whistle Blower Policy.
- xvi. Confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- xvii. Benchmarking the Company's Corporate Governance Practices with the best governed companies in India and globally.

- xviii. The Company diligently documents the ‘Action Taken Report’ following each board or committee meeting, ensuring transparency, accountability, and a clear record of decisions made, as part of its ongoing commitment to uphold best practices in corporate governance and foster stakeholder trust.
- xix. The Company has successfully implemented Cloud Service Providers (CSP) in its operations, leveraging advanced AI tools to enhance productivity, ensure data integrity, and support informed decision-making, all of which contribute to promoting transparency, efficiency, and strong corporate governance practices.
- xx. The Company has implemented e-modules for training and awareness of its employees, each designed to enhance skills sets and knowledge, followed by a test at the end to assess learning outcomes with a scorecard of 80% and ensure a thorough understanding of key topics i.e. Code of Conduct of the Company, Prohibition of Insider Trading, POSH, Anti-Trust, Data Protection and Privacy and Health and Safety.
- xxi. Omnibus approval for the related party transactions proposed to be entered into by the Company or its subsidiaries in the beginning of the every Financial Year from the Audit committee basis the information specified in SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14th February, 2025 on “Industry Standards on Minimum information to be provided for review of the audit committee”.
- xxii. During the financial year under review, your Company has been awarded the prestigious ISO 27001 certification, an internationally recognised standard for Information Security Management Systems (**ISMS**). This certification demonstrates the Company's unwavering commitment to safeguarding the confidentiality, integrity, and availability of information assets through the implementation of stringent security controls and best practices.

Artificial Intelligence (AI)/Machine Learning (ML)

At Sona Comstar, we are advancing our strategic roadmap to integrate Artificial Intelligence (AI)/ Machine Learning (ML) capabilities across our operations, setting the stage for scalable and sustainable growth in the years ahead. While refining existing solutions, our primary focus is on building the infrastructure needed to support the expanding demands of AI/ML technologies. This includes developing fully automated data pipelines and seamless cloud integration, ensuring that our systems are capable of scaling in line with the growing role of AI/ML within the business.

Recently, we completed a training session on GenAI tool based on popular Cloud platform for our management team, equipping teams with the tools needed to make more informed, data-driven decisions. Looking ahead, we are working on integrating Agentic AI—powered by our cloud partner—into engineering applications to drive innovation and improve efficiency across technical teams. Simultaneously, we are exploring GenAI-driven solutions from startups, especially in synthetic image generation and machine vision, to enhance product development and quality assurance.

In collaboration with our cloud partner, we have initiated a pilot to migrate engineering workloads to the cloud, aiming to optimise infrastructure while leveraging real-time data for performance enhancements. Additionally, we are building the foundation of an Operational Technology (OT) data lake on the cloud, designed to aggregate live data from connected machines across locations as part of a broader pilot initiative. As part of our innovation in employee experience, we have also developed an in-house pilot for an on-prem RAG-based chatbot, integrated with a retrieval system running on our cloud infrastructure to improve HR interactions.

To support self-service business intelligence (BI) across the organisation, we have completed foundational data visualisation training for our leadership and are currently rolling out prompt engineering best practices company wide. Through these initiatives, we aim to stay at the forefront of emerging technologies—particularly in the rapidly evolving GenAI space—ensuring our AI/ML strategy remains aligned with long-term business goals and continues to deliver value.

14. MATERIAL SUBSIDIARIES

As on March, 31st March, 2025, the Company does not have any material subsidiary company in terms of Regulation 16 of the Listing Regulations. The minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of the Company on quarterly basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of the Company.

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

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

Disclosure of Commodity Price Risk and Commodity Hedging Activities

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 does not specifically undertake commodity hedging separately.

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 Auditors
1	Comstar Automotive Technology Services Private Limited	India	12.11.2012	Walker Chandiok & Co LLP
2	Sona Comstar eDrive Private Limited	India	12.11.2020	Walker Chandiok & Co LLP
3	Comstar Automotive USA LLC	Unites States of America	09.10.2012	Moss, Krusick And Associates, LLC
4	Comstar Automotive Hongkong Limited	Hong Kong	21.05.2015	Grant Thornton Hong Kong Limited
5	Comestel Automotive Technologies Mexicana Ltd	Hong Kong	09.10.2017	Grant Thornton Hong Kong Limited
6	Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	Mexico	17.01.2017	Salles, Sainz – Grant Thornton, S.C.
7	Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V;	Mexico	17.01.2017	Salles, Sainz – Grant Thornton, S.C.
8	Comstar Automotive (Hangzhou) Co. Ltd	China	27.08.2015	Grant Thornton Zhitong Certified Public Accountants LLP
9	Comstar Hong Kong Mexico No. 1, LLC (dormant)	USA	01.12.2016	Walker Chandiok & Co LLP (group perspective)
10	Sona BLW Edrive Mexicana, S.A.P.I. De C.V.	Mexico	23.06.2023	Walker Chandiok & Co LLP (group perspective)
11	NOVELIC d.o.o. Beograd – Zvezdara	Serbia	19.11.2012	Grant Thornton d.o.o Beograd
12	Novelic SRL	Romania	29.03.2023	-
13	Novelic ESC DOOEL Skopje	North Macedonia	24.03.2023	-
14	Nirsen d.o.o. Beograd-Zvezdara	Belgrade Serbia	01.02.2021	-
15	Novelic GmbH ("Novelic GmbH")	Munich , Germany	20.06.2024	-

Details of Utilisation of Funds of Preferential Allotment/QIP

During the financial year under review, your Company made a Qualified Institutions Placement (**QIP**) of INR 24,000 million by issuing 34,782,608 equity shares to Qualified Institutional Buyers (**QIBs**) at an issue price of INR 690 (Indian rupees six hundred and ninety) per equity share, including a premium of Rs 680 (Indian rupees six hundred and eighty) per equity share, in compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**SEBI**

ICDR Regulations), the Companies Act, 2013 and other applications laws.

The net proceeds from the QIP are proposed to be used for the following's objects of the Company and these were stated in the placement document and notice seeking shareholder's approval:

- a. Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company;
- b. Payment of balance consideration in relation to the acquisition of Novelic

- c.

Pursue strategic investments and organic and inorganic growth opportunities
- d.

Purchase of fixed assets, including, equipment and machinery
- e.

General corporate purposes

Details of utilisation of funds of QIP

Pursuant to the provisions of Regulation 32 of the Listing Regulations, the Company obtained monitoring agency report on the utilisation of the net proceeds of the QIP on quarterly basis and placed before the Audit Committee and Board of Directors in their meetings. The monitoring agency report and statement of deviation report are filed with the stock exchanges and uploaded on the website of the Company on quarterly basis at <https://sonacomstar.com/investor/statement-of-deviation-or-variation>.

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, 2025, to the Statutory Auditor viz. Walker Chandio & Co LLP, Chartered Accountants Firm's Registration No.: 001076N/N500013 and all entities in the network firm/ network entity of which the Statutory Auditors are part of, are as follows:

S.No.	Particulars	Amount (INR in million)
(a)	For Statutory Audit	12.70
(b)	For other services*	3.53
(c)	For reimbursement of expenses	1.27
	Total	17.50

* Excluding applicable taxes and fees paid for services related to QIP (refer note 47 of standalone financial).

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 along with the procedure for filing of complaint under POSH and the same is placed on the website of the Company at <https://sonacomstar.com/policies-and-codes>.

During the Financial Year 2024-25, there are no complaints under POSH and the details of the same are available in the Board's Report.

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 2024-25, 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 corporate guarantees/ Comfort letter provided by the Company to its subsidiary:

Name of the Giving entity	Name of Receiving Entity Name of Receiving Entity	Amount	Loans/Advance/ Guarantee	Date
Sona BLW Precision Forgings Limited	Sona BLW eDrive Mexicana S.A.P.I.D.E.C.V.	USD 5 million	Corporate Guarantee	10 th January, 2025
Sona BLW Precision Forgings Limited	Comstar Automotive (Hangzhou) Co. Ltd.	USD 2.8 million	Corporate Guarantee	10 th July, 2024
Sona BLW Precision Forgings Limited	Comstar Automotive Hongkong Limited		Letter of Comfort	28 th April, 2024

Certificate from Company Secretary in Practice regarding Non-Debarment and Non-Disqualification of Directors

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

Acceptance of Recommendation of Board Committees

During the Financial Year 2024-25, there was no recommendation of any committee of the Board of the Company which was not accepted by the Board of the Company.

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 was 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-B

Disclosures with respect to demat suspense account/ unclaimed suspense account

As on 31st March, 2025, 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 published the procedure for claiming of unclaimed dividend for the shareholders and also provided the unclaimed dividend details on its website at <https://sonacomstar.com/unclaimed-dividend>. Shareholders can check their unclaimed dividend amount by

mentioning their DP-Id and client-id or folio no. and claim the same by following the procedure for claiming of unclaimed dividend.

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

Detail of Nodal Officer – IEPF

Mr. Ajay Pratap Singh, Senior Vice President- Group General Counsel, Company Secretary and Compliance Officer of the Company has been appointed as the Nodal Officer- IEPF.

Disclosure of Accounting Treatment

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

CERTIFICATE ON CORPORATE GOVERNANCE OF SONA BLW PRECISION
FORGINGS LIMITED FOR FINANCIAL YEAR ENDED MARCH, 31, 2025

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

To,
The Members
Sona BLW Precision Forgings Limited
Sona Enclave Village Begumpur Khatola,
Sector 35, Gurgaon, Haryana - 122004

1. We have examined the compliance of the conditions of Corporate Governance by Sona BLW Precision Forgings Limited ("the Company"), for the financial year ended on March, 31, 2025, as stipulated under Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation 2 of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").
2. The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the declarations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on March, 31, 2025.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For PI & Associates,
Company Secretaries**

Nitesh Latwal
Partner
ACS No.: A32109
CP No.: 16276
Peer Review No.: 1498/2021
UDIN: A032109G000239492

Date: 30/04/2025
Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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
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** having CIN: L27300HR1995PLC083037 and having registered office at Sona Enclave Village Begumpur Khatola, Sector 35, Gurgaon, Haryana - 122004 (hereinafter referred to as 'the Company'), 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 verifications (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 the Company as stated below for the Financial Year ended on March, 31, 2025 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.	07698495	VIVEK VIKRAM SINGH	05/07/2022
2.	09041143	JEFFREY MARK OVERLY	12/02/2021
3.	00145529	SUNJAY KAPUR	05/07/2019
4.	00176902	SHRADHA SURI	05/08/2020
5.	03631259	VIKRAM VERMA VADAPALLI	24/01/2025
6.	00058552	VINEET MITTAL	24/01/2025
7.	00770347	PRADIP MANILAL KANAKIA	01/07/2024
8.	00110827	KARAMENDRA DAULET SINGH	24/10/2024
9.	00774574	MANISHA GIROTRA	01/01/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board 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: A032109G000239558

Date: 30/04/2025
Place: New Delhi

ANNEXURE – D1

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director and Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the Financial Year 2024-25:

S. No.	Name of the Directors and KMPs	Designation	Remuneration (including sitting fees paid to independent directors) (INR in million)	Ratio of Remuneration of Directors to the Median Remuneration of employees	(%) increase of remuneration in Financial Year 2024-25~
1.	Mr. Sunjay Kapur ¹	Chairperson and Non-Executive Director	24.00	24.74	-
2.	Mr. Prasan Abhay Kumar Firodia [@]	Independent Director	3.22	3.32	-
3.	Mr. Amit Dixit [#]	Non – Executive Nominee Director	-	-	-
4.	Mr. B.V.R. Subbu ^{\$}	Independent Director	1.50	1.55	-
5.	Mrs. Shradha Suri	Independent Director	5.71	5.89	-
6.	Mr. Jeffrey Mark Overly	Independent Director	9.04	9.32	-
7.	Mrs. Manisha Girotra	Independent Director	5.65	5.82	-
8.	Mr. Pradip Manilal Kanakia [^]	Independent Director	4.34	4.47	-
9.	Mr. Karamendra Daulet Singh ^{&}	Independent Director	2.53	2.61	-
10.	Mr. Vineet Mittal [*]	Independent Director	1.04	1.08	-
11.	Mr. Vivek Vikram Singh ^{^^}	Managing Director and Group Chief Executive Officer	34.09	35.14	9.25
12.	Mr. Vikram Verma Vadapalli ^{**}	Whole Time Director	12.20	12.58	-
13.	Mr. Rohit Nanda	Group CFO & Chief Risk Officer	30.13	31.06	9.25
14.	Mr. Ajay Pratap Singh ^{^^^}	Senior Vice President- Group General Counsel, Company Secretary and Compliance Officer	12.96	13.36	19

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

¹Mr.Sunjay Kapur, Chairperson and Non-Executive Director, ceased to be a director of the company due to his unfortunate demise on 12th June, 2025.

[@] Mr. Prasan Abhay Kumar Firodia, resigned w.e.f. 23rd October, 2024.

[#] Mr. Amit Dixit resigned w.e.f 11th December, 2024.

^{\$} Mr. B.V.R Subbu retired w.e.f. 4th July, 2024.

[^] Mr. Pradip Manilal Kanakia appointed w.e.f. 1st July, 2024.

[&] Mr. Karamendra Daulet Singh appointed w.e.f. 24th October, 2024.

^{*} Mr. Vineet Mittal appointed w.e.f. 24th January, 2025.

^{**}Mr. Vikram Verma Vadapalli was appointed as a Whole Time Director effective 24th January, 2025, on the same terms and conditions . The remuneration is proportionate to the period of appointment as Whole Time Director. Further, increase in his salary was prior to appointment as whole-time director of the Company, therefore the same is not mentioned here.

^{^^} Includes perquisite value of INR 2.37 million on account of exercise of 2,75,850 Options under the “Sona BLW Precision Forgings Limited – Employee Stock Option Plan – 2023 (ESOP - 2023)”.

^{^^^}Includes perquisite value of INR 1.13 million on account of exercise of exercised 3,000 options under Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 (ESOP - 2020) and 8,000 options under the ESOP – 2023.

2. The percentage increase in the median remuneration of employees in the Financial Year 2024-25:

Median remuneration of previous year 2023-24 (INR million)	Median remuneration of current year 2024-25 (INR million)	% increase [#]
0.81	0.97	19.75%

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

3. The number of permanent employees on the rolls of the Company as on 31st March, 2025:

1,583 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 ^{**}	12.50%
2.	Increase in salary of employees (other than Key Managerial Personnel)	11.17 %

^{*}Includes only increase in the Salary.

^{**}Mr. Vikram Verma Vadapalli appointed as a Whole Time Director w.e.f. 24th January, 2025 and increment in his remuneration prior to appointment as Whole Time Director is not considered, while calculating average increase in salary of Key Managerial Personnel.

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

Vivek Vikram Singh
Managing Director and Group CEO

Place: Gurugram
Date: 23rd June, 2025

Vikram Verma Vadapalli
Whole Time Director

Annexure – D2

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, 2025.

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 (INR in million)	Nature of Employment (Contractual or otherwise)	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held by the employee before joining the Company	Percentage (%) of equity shares held by the employee in the Company
1.	Mr. Vikram Verma Vadapalli#	Whole Time Director and Chief Executive Officer- Driveline Business	46.09	Permanent	Bachelor's degree of technology in Mechanical Engineering- Karnataka Regional Engineering College, Surathkal	43	65	1 st April, 2007	JTEKT India Ltd.	0.05
2.	Mr. Vivek Vikram Singh	Managing Director & Group Chief Executive Officer	34.09	Permanent	Bachelor's degree in technology (computer science and engineering) from HBTI, Kanpur and a post graduate diploma in Management from the Indian Institute of Management, Ahmedabad	20	45	1 st July, 2016	JTEKT India Ltd.	0.03
3.	Mr. Rohit Nanda	Group Chief Financial Officer & Group Chief Risk Officer	30.13	Permanent	B.Com and Chartered Accountant	29	52	11 th April, 2019	Usha Martin Ltd.	Nil
4.	Mr. Sat Mohan Gupta	Chief Executive Officer- Motor Business	22.37	Permanent	M.com and member of CMA	41	63	10 th November, 1997	Daewoo Motor India Ltd	0.025
5.	Mr. Ajay Pratap Singh	Senior Vice President- Group General Counsel, Company Secretary & Compliance Officer	12.96	Permanent	LLB-University of Delhi, Company Secretary and Certificate in Competition Law from IICA, New Delhi	26	50	24 th February, 2020	Hindustan Construction Company Limited, Mumbai	0.003
6.	Mr. Amit Mishra@	Vice President-Investor Relationship and Head CSR®	12.83	Permanent	BE in Mechanical & Finance PGDM (MBA)	19	42	08 th December, 2021	Antique Stock Broking	Nil
7.	Mr. Ranganathan Balaji	President & Chief Operating Officer (Operations)- Driveline Business	12.82	Permanent	B. Tech & Post Graduate Diploma in International Business from IIFT.	36	56	1 st April, 2017	JTEKT India Ltd.	0.014
8.	Mr. Praveen Chakrapani Rao**	R&D Management	10.47	Permanent	BE and MS	33	55	8 th	Taco Visteon	Negligible
9.	Mr. Anand Seth	Assistant Vice President – Marketing – Driveline Business	8.94	Permanent	B.Com (Hons) and MBA-Indian School of Business, Hyderabad	23	42	February, 1998 1 st April, 2017	JTEKT India Ltd.	Nil
10.	Mr. Vaithyanathan M	President & Chief Operating Officer (Operations)- Motor Business	7.17	Permanent	B.TECH, MBA, PGDMM	34	58	20 th November, 2007	LUCAS TVS LTD	Negligible

*Includes perquisite value of ESOP on account of exercise of Options, if any, under the Sona BLW Precision Forgings Limited - Employee Stock Option Plan-2020 and Sona BLW Precision Forgings Limited – Employee Stock Option Plan – 2023 (ESOP- 2023) of the Company.

Mr. Vikram Verma Vadapalli was appointed as Whole Time Director of the Company w.e.f. 24th January, 2025.

**Mr. Praveen Chakrapani Rao was designated as Group Chief Technologies Officer of the Company w.e.f. 1st November, 2024.

@ Mr. Amit Mishra was designated as Head CSR with effect from 1st 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:

S. No.	Name	Designation	Remuneration* Received (INR in million)	Nature of Employment (Contractual or otherwise)	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held by the employee before joining the Company	Percentage (%) of equity shares held by the employee in the Company
1.	Mr. Kiran Manohar Deshmukh***	Group Technology Officer	10.84	Permanent	Bachelor's degree of technology in metallurgical engineering from the Indian Institute of Technology, Bombay	48	71	1 st July, 2019	SKAP Forging Private Limited	0.0068

*** Superannuated from the Company on 31st October, 2024.

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.

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

Vivek Vikram Singh
Managing Director and Group CEO

Place: Gurugram
Date: 23rd June, 2025

Vikram Verma Vadapalli
Whole Time Director

ANNEXURE – E

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March, 31, 2025

[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 referred to as “the Company”**). The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon for the financial year ended on March, 31, 2025 (**“Audit Period”**). The Company is engaged in the business of manufacturing 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 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 made available to us and maintained by the Company during 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 and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not applicable during the audit period**)

- 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 audit period**)
- h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; (**Not applicable during the audit period**)
- 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 Institute of Company Secretaries of India with respect to Board and General Meeting.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited and **Listing Regulations**.

During the Audit period, the Company complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned hereinabove.

We further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors during the Audit Period. There were the following changes in the composition of the Board of Directors of the Company during the Audit Period:
 - a. Mr. Pradip Manilal Kanakia (DIN: 00770347), was appointed as the Non-Executive Independent Director of the Company w.e.f. July, 1, 2024.
 - b. Mr. Subbu Venkata Rama Behara (DIN: 00289721), retired on completion of his first term, as the Non-Executive Independent Director of the Company w.e.f. July, 4, 2024.
 - c. Mr. Prasan Abhaykumar Firodia (DIN: 00029664) resigned as the Non-Executive Independent Director of the Company w.e.f. October, 23, 2024.
 - d. Mr. Karamendra Daulet Singh (DIN: 00110827) was appointed as the Non-Executive

Independent Director of the Company w.e.f. October, 24, 2024.

- e. Mr. Amit Dixit (DIN: 01798942) resigned as Nominee Director of the Company w.e.f. December, 11, 2024.
- f. Mr. Vikram Verma Vadapalli (DIN: 03631259), was appointed as the Whole Time Director of the Company with effect from January, 24, 2025.
- g. Mr. Vineet Mittal (DIN:00058552), was appointed as the Non-Executive Independent Director of the Company w.e.f. January, 24, 2025.
- ii. Further, the composition of all statutory committee(s) was also in compliance with the Act and applicable Rules and Regulations.
- iii. Adequate notices were given to all Directors to schedule the Board Meetings, Statutory Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except where meeting(s) was held at 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. In this regard, the Company has in place an IT based Legal Risk Management System tool for managing compliances with applicable laws.

We further report that during the Audit Period, the following event occurred in the Company having major bearing on its affairs:

- (a) The Board of the Company in its meeting held on April, 30, 2024, has approved the investment of INR 8.30 million into a special purpose vehicle (SPV) for the purpose of setting up a group captive solar power project for the Chennai facility of the Company. 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.
- (b) The Board of the Company in their meeting held on July, 24, 2024, approved the issuance of securities, through qualified institutions placement (**QIP**) of equity shares of INR 10 each for an aggregate amount not exceeding INR 2,400 crore (Rupee two thousand four hundred crores only) which was subsequently approved by the shareholders

- of the Company vide Postal Ballot dated August, 30, 2024.

(c) The Board of Directors of the Company, at its meeting held on October, 23, 2024, accorded its consent for entering into a business transfer agreement (BTA) with Escorts Kubota Limited (**Escorts**) to acquire the latter’s Railway Equipment Division (RED) as a going concern on a slump sale basis. Further, the Board in its meeting held on February, 10, 2025, has approved an amendment and restatement of the BTA executed with Escorts and the Board also approved for purchase of plot of land measuring 33,423 square yards for total consideration of INR 1,100.00 million from Escorts.

(d) The Board of Directors of the Company, at its meeting held on January, 23, 2025, accorded
- its consent for reclassification of Singapore VII Topco III Pte. Ltd. (Promoter of the Company) from “Promoters” category to “Public” category. Further, as on March, 3, 2025, the Company has duly filed the intimation w.r.t NOC received from both Stock Exchange(s).

**For PI & Associates,
Company Secretaries**

**Nitesh Latwal
(Partner)**
ACS No.: A32109
C P No.: 16276
Peer Review No.: 1498/2021
UDIN: A032109G000239569

Date: 30/04/2025
Place: New Delhi

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.: A32109
C P No.: 16276
Peer Review No.: 1498/2021
UDIN: A032109G000239569

Date: 30/04/2025
Place: New Delhi

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

Annexure - 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:

- 1. Installation of Energy Efficient HVAC Systems:** Replaced conventional cooler fans with energy efficient HVLS fans, installed energy efficient VRV ACs.
- 2. Eliminating Idle Equipment Usage:** Interlocking systems are introduced to prevent the unnecessary running of equipment and accessories, ensuring energy is utilised only when required.
- 3. Smart Air Compression Systems:** The adoption of variable frequency drive (VFD)-based air compressors allows for optimised performance, adjusting to demand rather than running at a constant load.
- 4. Transitioning Fixed Loads to Variable Loads:** A dedicated initiative has begun to convert fixed loads to dynamic loads that adjust based on production requirements—such as temperature-feedback-controlled pump house operations.
- 5. Optimisation of Induction Heating:** Induction heaters were fine-tuned for efficiency, ensuring precise energy utilisation and reducing waste in heating processes.
- 6. Leakage Identification & Air Compression Efficiency:** A company-wide drive was launched to detect and eliminate compressed air leakages, significantly improving the overall efficiency of air compressors.
- 7. Industry 4.0 Implementation in Furnace Operations:** Advanced 14.0 methodology has been incorporated to monitor furnace heater performance in real time, enabling data-driven adjustments for enhanced energy efficiency.
- 8. Hydraulic Pressure Optimisation:** Fine-tuning hydraulic pressure settings in equipment has led to notable reductions in electrical and water consumption while maintaining performance standards.

- 9. Waste Heat Recovery Initiatives:** Harnessing flue gas waste heat from furnaces is now being leveraged to preheat water used in washing processes, maximising energy utilisation.

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

For utilisation of alternate source of power, we harnessed 13,639 GJ from our roof top solar installations which is approx. 3.44% of our total energy consumption during the Financial Year 2024-25.

Apart from onsite roof top solar, the Company is setting up solar captive power generating facility for its manufacturing facilities in the state of Haryana and Maharashtra having solar capacity of 14.85 MWp and 4.00 MWp respectively in collaboration with CleanMax Enviro Energy Solutions Private Limited (CleanMax). 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 2024-25, the Company has invested in the following energy saving initiatives:

S. No.	Details	Amount (INR in lakhs)
1	Replacement of Standalone machine fans to HVLS fans 5 nos	5.25
2	Energy efficient IE3 motors installation & Capacity reduction	3.50
3	Installation of Energy efficient VRV ACs	3.00
4	Installation of VFD for 650cfm compressor	4.10
5	Installation of Centralised controller (iTouch) for cassette ACs	2.80
6	Installation of Split AC inverter type	28.27
7	HYD. Power Pack	1.70
8	Installation of Solar Water Heating System	6.68
9	Installation AIR washer system	152.00
10	Installation ABT energy meter	27.30
11	Installation VRF cooling AC	10.95
12	Installation HVAC Variable REF Flow System	10.18
13	Installation of Real Time Power Factor Correction Panel (RTPFC Panel)	38.11
	Total	293.84

B TECHNOLOGY ABSORPTION

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

- The Company has know-how of designing and manufacturing bevel gears through precision warm forging, and differential assembly and aggregates and validation with respect to the electric & non-electric vehicle requirement.
- The Company has developed in-house capabilities in followings:
 - Die Design
 - Die Manufacturing
 - Gear Design
 - Bevel Gear Manufacturing
 - Differential Assembly design & manufacturing
 - Laser welding
 - Gear Skiving
 - Helical Gear Grinding
 - Simulation techniques
 - Testing techniques
 - Spiral bevel gear
 - Bevel Gear box
- The Company has worked on various technological innovations:
 - Innovation in motor technology to eliminate/reduce the heavy rare earth magnets.
 - Develop magnet free motor technologies.
 - Adapt the integrated motor controller concept in Hub motors.
 - Enhance the control HIL capability to power HIL capability.
 - High Voltage and EMC test capability to enhance the deliverables.
 - Improve the efficiency of the Inverter using SiC MOSFET technology.

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

- Developed magnets with Celerium to replace the heavy rare earth elements.

- Developed ERSM and SRM motor samples.
3. 2 kw Hub Motor integrated with controller.
- Commisioned PHIL to emulate e-motor and qualify the Inverter at power level.
- More tests planned at EMC pre-compliance in house.
- Improved inhouse first HV Inverter efficiency using SiC MOSFETs.
- Cost Reduction and Reduction in "Time to Market".
- Complete indigenisation of tooling.
- Superior gears & differential assembly compared to competition.

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

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

4. The expenditure incurred on Research and Development:

S. No.	Particulars	Amount (INR in million)
1.	Revenue expenditure	378.72
2.	Capital expenditure	566.78
	Total	945.50

C FOREIGN EXCHANGE EARNED AND OUTGO

S. No.	Particulars	Amount (INR in million)
1.	Foreign Exchange earned in terms of actual inflows during the financial year.	18,136.30
2.	Foreign Exchange outgo during the financial year in terms of actual outflows.	3,983.07

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

Vivek Vikram Singh
Managing Director and
Group CEO

Place: Gurugram
Date: 23rd June, 2025

Vikram Verma Vadapalli
Whole Time Director

Annexure- G

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

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

1 BRIEF OUTLINE OF THE CSR POLICY OF THE COMPANY

Sona BLW Precision Forgings Limited (**Company/Sona Comstar**) continues to conduct business in a way that generates prosperity for all stakeholders and enhances societal welfare through its CSR programs. During the financial year under review, your company focused on programs aimed at empowering communities through education, skill development, promoting environmental sustainability, and fostering innovation.

The Company's CSR Policy consists of six pillars that aim to strengthen and reinforce the nation and the society:

- (i) Sona Comstar-Samridh Bharat Program
- (ii) Sona Comstar-Swasth Bharat Program
- (iii) Sona Comstar-Surakshit Bharat Program
- (iv) Sona Comstar-Saksham Bharat Program
- (v) Sona Comstar-Swachh Bharat Program
- (vi) Sona Comstar-Stree Shakti Bharat Program

The brief description of each pillar is given below:

(I) Sona Comstar-Samridh Bharat Program

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

- supporting projects that promote innovations, and 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 and other sectors
- 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 focuses on health care and nutrition through measures like:

- health outreach program for 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, hospitals and dispensaries
- supporting specific projects/programs dedicated to women & child health care and nutrition
- coordinating and supporting the agencies in the management of disasters, epidemics, pandemics, including relief, rehabilitation and reconstruction and developmental activities.

(III) Sona Comstar-Surakshit Bharat Program

Sona Comstar -Surakshit Bharat Program focuses on 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 focuses on measures like:

- employability and promotion of skill development Programs for rural youth in numerous modules
- supporting livestock development and agriculture development programs for farmers
- empowering women 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, the elderly, and the differently abled and livelihood enhancement
- partnering with government education departments, institutions and organisations to promote education and development of model schools, development of infrastructures like hostels, classrooms, e-learning techniques, etc.
- supporting scholarship programs to help meritorious, underprivileged children opt for better schools and higher studies

- distribution of books etc. for imparting education/knowledge
- supporting the establishment of old age homes, daycare centers and other facilities for senior citizens and measures to reduce inequalities faced by socially and economically backward groups.

(V) Sona Comstar-Swachh Bharat Program

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

- supporting organisations working for conserving nature, wilderness preservation and combating the degradation of the environment
- promote sanitation, including clean drinking water facilities, in 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 the 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 focuses on women's empowerment through measures like:

- promoting education and vocational skills that enhance employability 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 Companies Act, 2013 (**Act**) or the Rules, as amended, from time to time.

During the financial year under review, the Company's CSR initiatives undertaken focused on the following four pillars:

(a) **Sona Comstar-Samridh Bharat Program**, which fosters innovation and includes the following projects:

Projects:

- Centre for Innovation Incubation and Entrepreneurship Building (CIIE-IIMA)
- IIT-Delhi – Innovation in Mobility Program (FITT) Foundation for Innovation and Technology Transfer

In collaboration with FITT and Centre for Innovation Incubation and Entrepreneurship (CIIE-IIMA Ventures), your Company with an objective, amongst others, to develop safe, convenient, and eco-friendly mobility solutions have shortlisted the following start-ups during the financial year 2024-25:

- Planzit (Vimla Rani Arora Enterprises Pvt. Ltd)-** Planzit is engaged in providing multimodal urban mobility platform.
- Grokalp H2CNT Private Limited** -They specialise in providing carbon nanotube applications for lightweight mobility.
- Baud Resources Private Limited-** It provides gravity-based energy storage facility.
- Ev recharge (Varnika Energy Private Limited)-** It is engaged in providing doorstep EV charging solutions.
- Hydrovert Energy Private Limited:** Hydrovert is engaged in developing hydrogen fuel cell powertrains for vehicles.
- IOTA Diagnostic Private Limited:** It provides affordable preventive diagnostics for rural women.

(b) **Sona Comstar-Saksham Bharat Program**, which promotes skill development and education and includes the following projects:

Projects:

- Sona Comstar Tata Strive Skill Development Centre -Tata Community Initiatives Trust
- Digital literacy centres & Life Skill Programmes Youthreach Foundation
- Student Scholarship Support Program- ISKCON

(c) **Sona Comstar-Swachh Bharat Program**, which promote sanitation, including clean drinking water facilities, in schools set up by the government and local bodies environmental and emphasises on sustainability and includes the following projects:

- Maintenance & Construction of Infrastructure Government Schools in Tamil Nadu
- Green Initiative by Catch Foundation

To promote environmental sustainability, Sona Comstar in collaboration with Catch Foundation, planted 45,767 saplings, including native species and Beema Bamboo (CVSP Miyawaki Method), to enhance green cover at Manesar, Haryana, thereby protecting and conserving the environment.

(d) **Sona Comstar-Stree Shakti Bharat Program**, which focuses on women’s empowerment and includes the following projects:

- Sona Comstar Scholarship Ashoka University

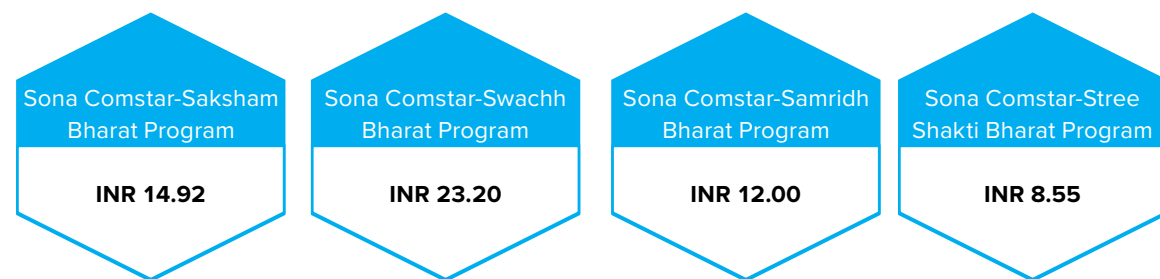
These initiatives demonstrate the Company’s commitment to positively impacting society and promoting sustainable development.

At the 11th National CSR Summit, CSR Times awarded the Company the National CSR

Summit & CSR Times Award—Bronze for its initiatives at Government Schools in Chennai under the “Sona Comstar-Swachh Bharat Program.”

The Corporate Social Responsibility Policy (hereafter referred to as ‘Policy’) of the Company, as approved by the Board of Directors, is available on the Company’s website at <https://sonacomstar.com/files/policy/corporate-social-responsibility-policy-policy-K6JBXy.pdf>.

AMOUNT SPENT ON CSR ACTIVITIES DURING FY 2024-25



2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee eligible to attend during the year (Total 4 meeting held)	Number of meetings of CSR Committee attended during the year
1.	Sunjay Kapur [#]	Chairperson, Non-Executive Nominee Director	4	4
2.	Shradha Suri	Member, Independent Director	4	4
3.	Manisha Girotra	Member, Independent Director	4	3
4.	Prasan Abhaykumar Firodia*	Chairperson, Independent Director	2	1

[#]Mr. Sunjay Kapur, ceased to be the Chairperson of the Committee due to his unfortunate demise on 12th June, 2025. The CSR Committee is re-constituted w.e.f. 23rd June, 2025.

*Mr. Prasan Abhaykumar Firodia resigned from the directorship of the Company w.e.f. 23rd October, 2024.

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	https://sonacomstar.com/board_committees
CSR Policy	https://sonacomstar.com/files/policy/corporate-social-responsibility-policy-policy-K6JBXy.pdf
CSR projects approved by the Board	https://sonacomstar.com/files/documents/csr-annual-action-plan-2024-25-document-FUul7l.pdf

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 commissioned M/s. InGovern Research Services Private Limited and Bluesky Sustainable Business LLP to carry out 3rd Party Impact Assessment Studies for the CSR projects conducted in the financial year 2024-25:

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 Impact Assessment Reports of the CSR projects, is annexed as **Annexure -H** of this Report.

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

Average net profit of the Company for the last three financial years is INR 4,856,783,333/-(Indian Rupees four thousand eight hundred and fifty-six million seven hundred and eighty-three thousand three hundred and thirty-three)

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

Two percent of average net profit of the Company is INR 97,135,667 (Indian rupees ninety-seven million one hundred and thirty-five thousand six hundred and sixty-seven)

(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 97,135,667 (Indian rupees ninety-seven million one hundred and thirty-five thousand six hundred and sixty-seven)

6. (a) Amount spent on CSR Projects- (Including actual spent (INR 58,670,857) and amount transferred to unspent CSR account for ongoing projects (INR 32,546,027) (both Ongoing Project and other than Ongoing Project):

INR 91,216,884 (Indian rupees ninety-one million two hundred and sixteen thousand eight hundred and eighty-four)

(b) Amount spent in Administrative Overheads: INR 4,856,783 (Indian rupees four million eight hundred and fifty-six thousand seven hundred and eighty-three)

(c) Amount spent on Impact Assessment, if applicable: INR 1,062,000 (Indian rupees one million and sixty-two thousand)

(d) Total amount spent for the Financial Year (6a+6b+6c): INR 97,135,667 (Indian rupees ninety-seven million one hundred and thirty five thousand six hundred and sixty-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
*64,589,640	32,546,027	28 April, 2025	NA	NA	NA

* This includes the administrative overheads and the Impact Assessment fee.

(f) Excess amount for set off, if any: Not Applicable

Sl. 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 2021-22, FY 2022-23 and FY 2023-24)	97,135,667
(ii)	Total amount spent for the Financial Year 2024-2025	97,135,667
(iii)	Excess amount spent for the financial year 2024-2025 [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

Note: Amount of INR 64,589,640 was spent during FY 2024-25 and amount of INR 32,546,027 was transferred to the unspent CSR Account for the ongoing projects, as per Section 135(6).

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 2021-2022	15,000,000	0	0	NA	NA	0	-
2.	FY 2022-2023	11,551,703	301,500	301,500	NA	NA	0	-
3.	FY 2023-2024	14,038,839	14,038,839	6,068,522	NA	NA	7,970,317	-

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).

Not Applicable.

Priya Sachdev Kapur
(Chairperson of CSR Committee)

Vivek Vikram Singh
(Managing Director & Group CEO)

Date: 23rd June, 2025
Place: Gurgaon

CSR Impact Assessment
FY2024-25

Annexure - H

SECTION 1 | EXECUTIVE SUMMARY

This is a report on the independent impact assessment of 8 Corporate Social Responsibility (CSR) initiatives undertaken by Sona Comstar during FY2024-25. These CSR initiatives reflect the company’s commitment to holistic and inclusive development through its 6 strategic CSR pillars: Sona Comstar-Saksham Bharat, Sona Comstar-Swasth Bharat, Sona Comstar-Surakshit Bharat, Sona Comstar-Swachh Bharat, Sona Comstar-Stree Shakti Bharat and Sona Comstar-Samridh Bharat.

The assessment, conducted by Bluesky Sustainable Business LLP, in collaboration with InGovern, employed the PMGA (Process Maturity & Goal Achievement) Framework - anchored in ISO 26000 and Social Responsibility Standards adopted by SEBI - to evaluate project implementation, goal alignment and social outcomes.

The collective rating for all eight initiatives is “Exemplary”, marking them as benchmarks for best practices in CSR design, delivery, and impact achievement.

KEY ACHIEVEMENTS AND PROJECT OUTCOMES



CSR Pillar: Samridh Bharat



CSR Pillar: Stree Shakti Bharat



1. **Innovation in Mobility Program – FITT, IIT Delhi**
Focus | Tech-led Skill & Employability Innovation
Supported four early-stage mobility-tech startups:
- Potential creation of over 100 jobs, notably in Tier II/III cities
 - Catalysed deep-tech commercialisation (e.g., EV infrastructure, hydrogen energy)
 - Demonstrated CO₂ savings exceeding 16,500 tonnes/year from one project alone



3. **Sona Comstar Women’s Scholarship – Ashoka University**
Focus: Women Empowerment in Science, Technology, Engineering, and Mathematics (STEM)
Supported 15 women students from underprivileged backgrounds:
- Provided 25%–100% scholarships in STEM disciplines
 - Boosted aspirations in tech, healthcare, and sustainability



2. **CIIE Initiatives – IIM Ahmedabad**
Focus: & Deep Tech Innovation
Supported two startups:
- Enhanced access to healthcare
 - Innovations included diagnostics for rural women, space-tech for ISRO, and hydrogen mobility solutions
 - Enabled scalable, sustainable models for underprivileged communities in remote areas.



CSR Pillar: Swachh Bharat



4. **School Sanitation & Infrastructure – Tamil Nadu**
Focus: Hygiene & Access
Benefitted 5,570 students (3,215 girls) across eight schools:
- Maintained hygiene infrastructure and built new toilet facilities
 - Improved student well-being, dignity, and school attendance, especially among adolescent girls



5. Go Green Afforestation – Catch Foundation, Manesar

- Focus: Environmental Sustainability
- Planted 45,767 saplings across 14 acres:
- 85% survival rate achieved: 92% targeted
 - Addressed biodiversity loss and groundwater depletion by removing invasive species



CSR Pillar: Saksham Bharat



6. ISKCON Student Scholarship – Bhaktivedanta Gurukula and International School (BGIS) Vrindavan

- Focus: Holistic Child Development
- Provided full academic and residential support to 36 students (Classes 3–11):
- Improved academic performance and leadership skills
 - Fostered self-confidence, discipline, and social responsibility



8. Skill Development Centre – Tata STRIVE, Chennai

- Focus: Vocational Training & Placement
- Offered training in Business Development, CNC Machinist, and Front Office:
- 243 enrolled | 211 certified | 153 placed
 - 25 Female-friendly hostel accommodations and soft skills training improved retention and job readiness



7. Digital Literacy Programme – Youthreach Foundation

- Focus: Digital Inclusion
- Established Digital Literacy Centres in Gurugram and Manesar:
- Trained 200+ beneficiaries, including women and working adults
 - Delivered NIIT-certified training at subsidised cost (INR 150/month)

Conclusion and Way Forward

- Sona Comstar allocated INR 9.71 crores to these initiatives, reinforcing its dedication to inclusive education, skill-building, clean environment, gender equality, and sanitation.
- Sona Comstar’s CSR initiatives for FY 2024–25 have created measurable and sustainable impact across education, health, environment, and skill development. These efforts demonstrate a mature, outcomes-focused approach that not only meets statutory CSR obligations but also meaningfully contributes to India’s UN SDG commitments.
 - The projects demonstrate strong alignment with national priorities, UNSDGs and Sona Comstar’s six CSR pillars. Impact outcomes were significant across employability, sustainability, gender inclusion, and technology innovation.

Recommendations:

- Strengthen placement assistance for adult learners (Digital Literacy)
- Expand hostel capacity and community outreach to boost gender inclusivity.
- Scale high-performing pilots (FITT, IIMA Ventures) for broader sectoral impact.
- Enhance alumni tracking and feedback loops for post-placement monitoring.
- Explore co-funding for scholarship and incubation models for sustainability.

To build on this momentum, future projects can consider on scaling high-impact models Sona Comstar’s approach exemplifies strategic CSR, rooted in innovation, equity, and environmental consciousness.

Rating of the Sona Comstar CSR Programs

- Based on the proprietary scoring algorithm, BlueSky and InGovern have assessed the Sona CSR Programs with an Exemplary Category of Performance of CSR Activity. The Exemplary Category of the CSR Project performance demonstrates:
- Sustainability Commitment
 - Leadership Visionary on Social Responsibility
 - Stakeholder Partnerships and Multi-organisational Alliances

Signed by:

Shriram Subramanian
InGovern Research Services
Pvt Ltd

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 maximise the impact of their CSR efforts and to identify areas for improvement and further engagement with the community.

ABOUT SONA COMSTAR

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 is a leading supplier for the fast-growing global Electric Vehicles (EV) market, with 35% of its revenues derived from the EV market. It has 11 manufacturing facilities across India, the USA, Mexico and China and 72% of its sales are for international markets. It has a diversified revenue base across geographies, products, vehicle segments, and customers.

Across its 4 R&D centres, it develops advanced drivetrain systems and high-performance motors for electric mobility, as well as mm Wave radar sensors and perception solutions for autonomous and connected applications. With its capabilities in precision forging, precision machining, high-fill winding, product integration, machine learning, and artificial intelligence, it provides high-power density electrical and mechanical systems, sensors, and embedded software solutions. It aims to be at the forefront of shaping the next generation of mobility technology and providing sustainable solutions.

SONA COMSTAR CSR POLICY

Sona Comstar's CSR interventions consist of six pillars aimed to strengthen and reinforce the nation and the society:

1. Sona Comstar-Samridh Bharat (Environment and Sustainability)
2. Sona Comstar-Stree Shakti Bharat (Women Empowerment)
3. Sona Comstar-Swachh Bharat (Sanitation and Hygiene)
4. Sona Comstar-Saksham Bharat (Skill Development and Employability)
5. Sona Comstar-Swasth Bharat (Health and Nutrition)
6. Sona Comstar-Surakshit Bharat (Safety and Social Equity)

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

The eight projects considered for the CSR Impact Assessment for FY2024-25 are:

1. Sona -Comstar IIT Delhi Innovation in Mobility Project by the Foundation for Innovation and Technology Transfer (FITT) at the Indian Institute of Technology, Delhi.
2. Centre for Innovation Incubation and Entrepreneurship (CIIE Initiatives-IIMA)
3. Sona Comstar Scholarships for Women scholars in STEM at Ashoka University
4. Government School in Tamil Nadu: Construction/ renovation and maintenance of basic infrastructure.
5. Go Green Afforestation – Catch Foundation, Manesar.
6. ISKCON Student Scholarship – BGIS Vrindavan.
7. Setting up of Digital literacy centres in Manesar and Gurgaon for youth with Youthreach.
8. Sona Comstar Tata Strive Skill Development Centre in Chennai.

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 Agency
- To assess if the objectives of the projects have been met.

SECTION 3 | IMPACT ASSESSMENT METHODOLOGY

ASSESSMENT METHODOLOGY AND STRATEGIC FOCUS

This CSR Impact Assessment evaluates eight flagship CSR initiatives supported by Sona Comstar in FY 2024–25. The assessment was guided by Social Auditing Standards (SAS) under SEBI and ISO 26000:2018 on Social Responsibility. The PMGA framework (Process Maturity & Goals Achievement) was used to assess both implementation design and outcome achievement.

Evaluation methods included desk reviews, a logic model approach, key informant interviews (**KIIs**), focus group discussions (**FGDs**), and mixed-method data analysis. Projects were rated using BlueSky's proprietary scoring method to ensure accountability, transparency, and stakeholder-centric impact. The projects were cumulatively rated as Exemplary," indicating high process maturity & significant goal achievements,

Overall, Sona Comstar's CSR initiatives reflect a robust model of strategic philanthropy, focused on long-term impact, innovation, and equity.

HIGHLIGHTS FROM KEY PROJECTS

- **FITT – Innovation in Mobility:** Supported 4 EV and green tech startups with INR 1.6 Cr in funding, generating over 120+ jobs and filing 9 patents. The initiative achieved remarkable R&D advancement and targeted export readiness.
- **IIMA Ventures – Deep Tech Incubation:** Enabled space, healthcare, and renewable energy startups to reach global market readiness through seed investment and international linkages.
- **School Sanitation & Infrastructure (Tamil Nadu):** Reached 5,570 students (3,215 girls) across 8 schools. Facilities enhanced retention, hygiene, and privacy for adolescent girls. Stakeholder feedback emphasised reduced dropout and improved enrolment. 9th school toilet being constructed.
- **Ashoka University Scholarship:** Enabled 15 STEM-focused under privileged women to access high-quality education. Scholarships covered 25–100% tuition, residence, and meals.
- **Digital Literacy Programme (Youthreach):** Certified 221 students with 98% reporting improved skills and confidence. The initiative is inclusive, affordable, and gender responsive.

Tata STRIVE – Skill Development Centre: Trained 243 students; 211 certified; 153 placed (INR 17,330 avg. salary). 44 women accessed hostel facilities. 92% of beneficiaries are OBC/SC/ST, showing inclusive targeting.

KEY INSIGHTS

- Sona Comstar allocated INR 97,135,667 to these initiatives, reinforcing its dedication to inclusive education, skill-building, clean environment, gender equality, and sanitation.
- Sona Comstar's CSR initiatives for FY 2024–25 have created measurable and sustainable impact across

education, health, environment, and skill development. These efforts demonstrate a mature, outcomes-focused approach that not only meets statutory CSR obligations but also meaningfully contributes to India's UN SDG commitments.

- The projects demonstrate strong alignment with national priorities, UNSDGs and Sona Comstar's six CSR pillars. Impact outcomes were significant across employability, sustainability, gender inclusion, and technology innovation.

RECOMMENDATIONS

- Strengthen placement assistance for adult learners (Digital Literacy)
- Expand hostel capacity and community outreach to boost gender inclusivity.
- Scale high-performing pilots (FITT, IIMA Ventures) for broader sectoral impact.
- Enhance alumni tracking and feedback loops for post-placement monitoring.
- Explore co-funding for scholarship and incubation models for sustainability.

CSR IMPACT ASSESSMENT METHODOLOGY

The impact assessment methodology adheres to the Social Auditing Standards (SAS), regulated by the ISAI under SEBI, and aligns with ISO IS 26000:2018 – Guidance on Social Responsibility. This structured approach ensures a comprehensive and transparent evaluation, incorporating the key methodologies outlined below.

In order to determine the impact of the 8 CSR Projects supported by Sona Comstar, this impact assessment applied the PMGA framework (Process Maturity & Goals Achievement).

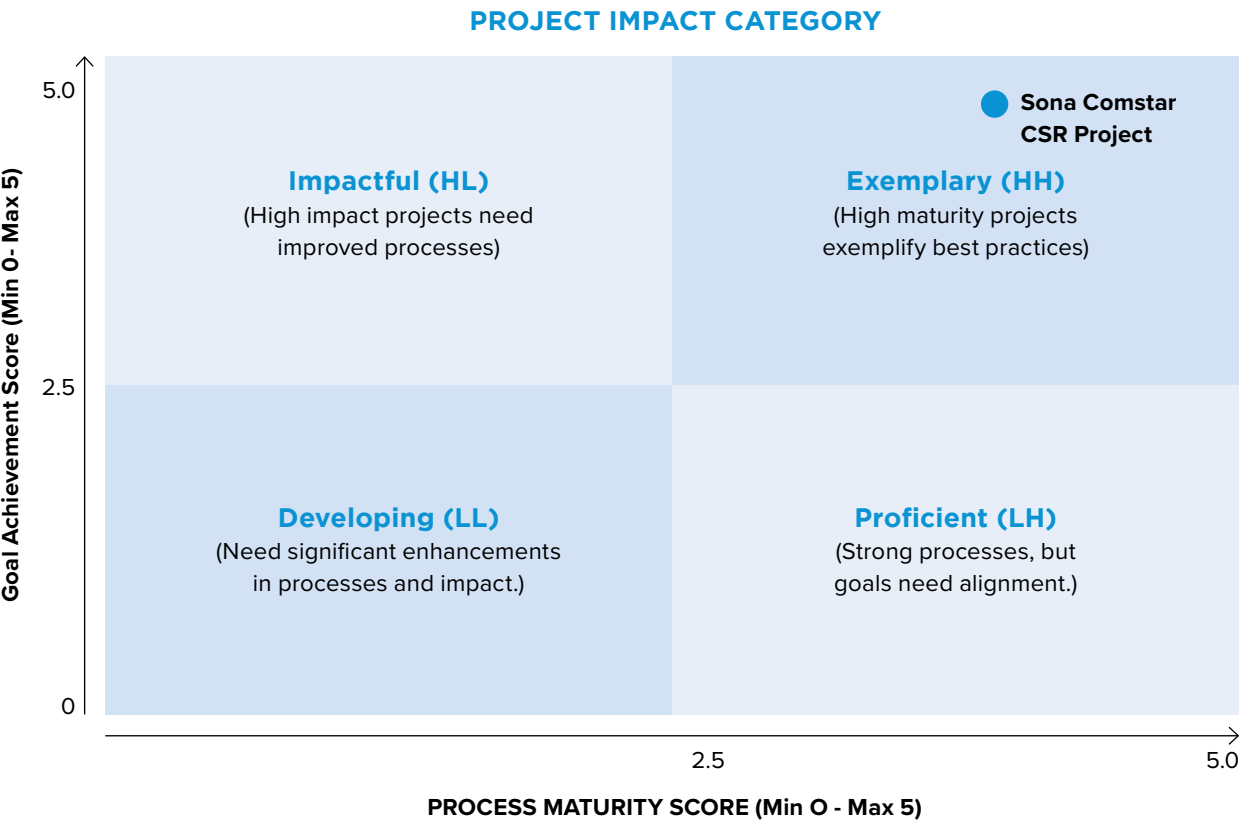
Based on the Theory of Change/ Logic Model and ISO 26000: Guidance for Social Responsibility, the Impact assessment of the CSR project is based on 2 sets of criteria.

1. **Process Maturity Score:** X Axis scored on 8 project process criteria with a score range of Min 1- Max 5. It maps to the guidance framework available in ISO 26000 & NGRBC (principles of Social Responsibility).
2. **Program Goal Score:** Y Axis Scored on criterion of achieving the objectives of the project agreed with the client with a score range of Min 1-Max 5. These criteria are specific to the project –and maps to the guidance available in the Logic Model developed for the project.

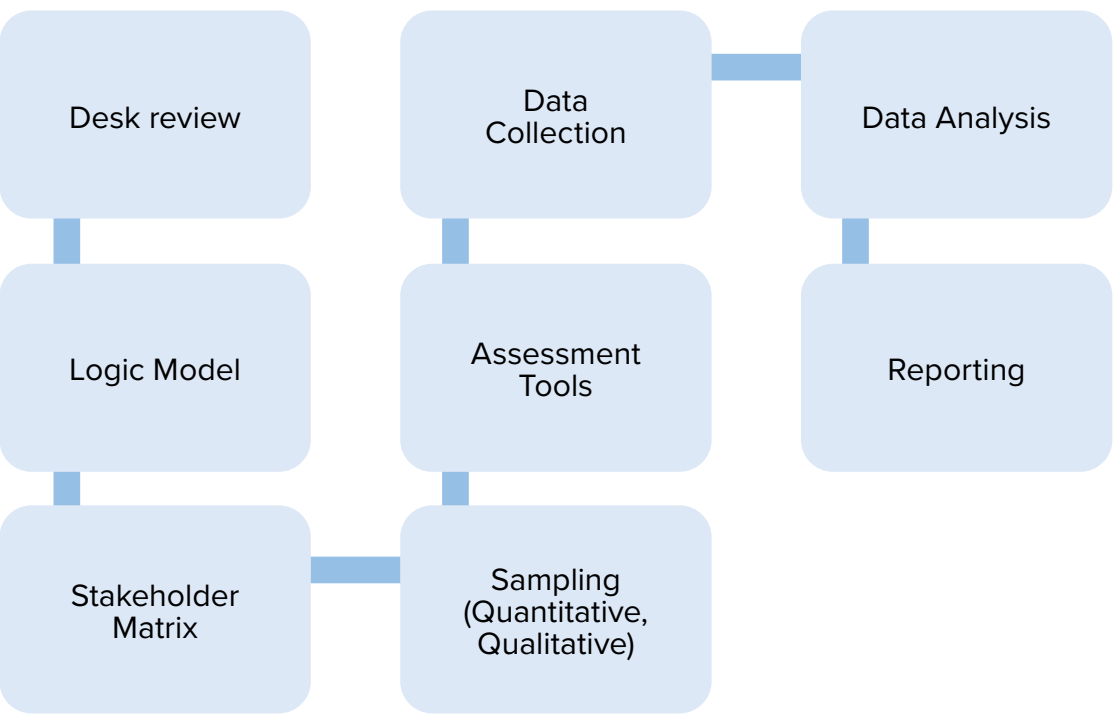
EVALUATION FRAMEWORK

Project Process Maturity	Maps the project design based on the following criteria - - Program Relevance & Significance - Project Objectives & Scope - Project Stakeholder Mapping and Identification - Project Initiation and Risk Assessment of factors influencing the program - Project Stakeholder engagement & participation, - Project Monitoring & Evaluation process, - Project communication & reporting - Project sustainability.
Project Goals Achievement	Maps the extent to which predefined project objectives as determined in the Project's Logic Model were achieved and reported in terms of Key Metrics.

Using BlueSky’s proprietary impact scoring, the cumulative of 8 Sona Comstar CSR Projects, was placed in the “Exemplary Project” category, highlighting both high process maturity and substantial goal achievement.



APPROACH & METHODOLOGY



Activity	Details
Desk Review	In-depth review of client documents including project progress reports, MOUs with implementing partners, project design, Monitoring & Evaluation systems. This step ensures assessing the process involved in program implementation to understand program efficiency
Logic Model	Developed based on the desk review to map the relationship between inputs, activities, outputs, outcomes, and impacts, ensuring a structured evaluation approach.
Stakeholder Matrix	Identifies and categorises key stakeholders based on their influence, accountability, and interest, ensuring effective engagement in the assessment process.
Sampling	Qualitative Sample: Purposive sampling was applied for Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs) to gather in-depth insights.
Assessment Tools	Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) to collect qualitative data.
Data Collection	A mixed-method approach to Data collection combines quantitative data (measurable outcomes, statistics) with qualitative insights (beneficiary experiences, challenges), ensuring a comprehensive impact evaluation.
Data Analysis & Reporting	Findings were analysed thematic coding for qualitative insights. The information so gathered is then triangulated to assess the impact of the initiative.
Reporting	Structured reporting with key impact metrics and recommendations

STAKEHOLDER MATRIX

This requires a meticulous approach to ensure that not only are the contributors recognised, but the beneficiaries – those whose lives are impacted by the initiative – are also accounted for. Including all relevant parties guarantees a comprehensive social impact assessment, reflective of the diverse perspectives at play within the initiative's ecosystem.

The 4 main types of stakeholders engaged for the social impact assessment were:

- Beneficiary Stakeholders
- Executing Stakeholders (Management)
- Executing Stakeholders (Participants)
- Oversight (Sponsor)

SAMPLING METHODOLOGY AND SAMPLE SIZE

The sampling approach ensured both breadth and depth in assessing the projects across various project locations.

QUALITATIVE FEEDBACK

A purposive sampling approach was used to gain in-depth insights from key stakeholders, including School Girls, trainers, school management representatives, and government officials. This mixed-method approach ensured a comprehensive evaluation of the project by integrating empirical data with stakeholder perspectives, strengthening the validity of the findings.

SAMPLING FOR STAKEHOLDER FEEDBACK & ENGAGEMENT

- 13 Key Informant interviews
- 2 Focus Group Discussions

SECTION 4 | KEY IMPACT FINDINGS

The leadership at Sona Comstar is guided by the 6 CSR pillars in choosing the projects to support. These pillars resonate with the Vision & Mission of the organisation and are reflected in the culture of the organisation.

Several programs (like Digital Literacy Centres and Tata Strive Centre) align with multiple pillars, such as Stree Shakti and Saksham Bharat, due to their dual focus on gender inclusion and employability. Programs under Samridh Bharat have both direct environmental impact (e.g., Miyawaki Forest) and indirect long-term technological sustainability benefits (e.g., EV innovation incubators).

The 6 CSR pillars are listed below:

PILLAR 1: SAMRIDH BHARAT (ENVIRONMENT & SUSTAINABILITY)

Project 1. IIT-Delhi Innovation in Mobility Program (FITT)

Incubation support for 9+4 start-ups in EV and mobility tech; promoting R&D and entrepreneurship at IIT-Delhi

Project 2. IIMA CIIE - Dr. Surinder Kapur Innovation Hub

Incubation support and promoting R&D and entrepreneurship.

PILLAR 2: STREE SHAKTI BHARAT (WOMEN EMPOWERMENT)

Project 3: Sona Comstar Scholarship – Ashoka University

Financial aid to 15 underprivileged women scholars pursuing undergraduate studies.

PILLAR 3: SWACHH BHARAT (SANITATION AND HYGIENE)

Project 4: School Sanitation & Infrastructure Project

Construction/renovation and maintenance of school toilets and basic infrastructure in 8+1 government schools in Tamil Nadu.

Project 5: Afforestation & Green Projects

Ecological restoration, as part of wider sustainability agenda. Miyawaki forest at NSG, Manesar, Gurugram

PILLAR 4: SAKSHAM BHARAT (SKILL DEVELOPMENT & EMPLOYABILITY)

Project 6: ISKCON Student Scholarship Support

- Provide support to the underprivileged students
- Foster academic readiness and personal development through integrated vocational and moral education
- Promote civic engagement, cultural awareness and life skills among students.

Project 7: Digital Literacy Centres (Youthreach)

- Equipping beneficiaries with employable digital skills at Begumpur Khatola and Manesar, Haryana
- Training in digital skills for women and youth; NIIT certification upon completion.

Project 8: Tata Strive Skill Development Centre, Chennai, Tamil Nadu.

- Targeted vocational training for underprivileged youth (especially women) for sustainable livelihoods. | Chennai, Tamil Nadu
- Business Development and technical skilling programs with a focus on women.

PILLAR 5: SWASTH BHARAT (HEALTH AND NUTRITION)

- Health camps, well-being initiatives, community healthcare access and nutrition support, especially for underprivileged groups across operational communities.

PILLAR 6: SURAKSHIT BHARAT (SAFETY AND SOCIAL EQUITY)

- Support to socially and economically backward groups and old-age homes (broad reference)
- Part of annual CSR allocation aimed at aiding vulnerable populations and promoting inclusive growth.

In this year, there are no projects under Pillars 5 and 6.

PROJECT 1 | INNOVATION IN MOBILITY PROJECT FITT, IIT DELHI

CSR Pillar: Samridh Bharat (Environment & Sustainability)

Project Overview:

Name of Implementing Partner: Foundation for Innovation and Technology Transfer (FITT) Project Locations: New Delhi, Bengaluru, Chennai, and Pune.

Project Objective:

- Support Indian innovators and startups to develop safe, convenient, and eco-friendly mobility solutions
- Physical Infrastructure
- Grants to every supported start-up
- Expert mentoring (from IIT-Delhi and Sona Comstar)
- Access to IP resources and commercialisation support
- Linkages with VCs and industry bodies

The Foundation for Innovation and Technology Transfer (FITT), the industry interface organisation of the Indian Institute of Technology (IIT) Delhi, was established to foster the commercialisation of science and technology innovations. With a core mission to bridge the gap between academia and industry, FITT plays a crucial role in translating cutting-edge research into real-world applications by offering targeted support to startups,

incubators, and technology-driven enterprises. Over the years, it has emerged as a key enabler of India's innovation ecosystem, providing incubation support, mentorship, funding facilitation, and access to the intellectual and infrastructural resources of IIT Delhi.

Recognising the importance of innovation, the Government of India has introduced several policies, grants, and partnerships to encourage the development of Indian intellectual property and foster the growth of technology startups from concept to commercialisation. Despite this support, there remains a critical need for private sector involvement to provide sustained funding and mentorship for such innovations.

Aligned with this national vision, Sona Comstar, a strong proponent of intellectual property and innovation, has partnered with FITT, IIT Delhi to support startups in the safe, convenient, and eco-friendly mobility sector. This program creates a collaborative platform that nurtures innovation and contributes meaningfully to India's rapidly evolving technological landscape.

The initiative specifically targets early-stage startups engaged in research, prototyping, and market validation in the e-mobility sector—a segment where startups often struggle due to limited access to capital, laboratories, and expert guidance. Through this partnership, the program aims to empower these innovators and accelerate their journey toward impactful and scalable solutions.

Project Outputs FY2024-25

Output Category	Details
Applications Received	280
Startups Shortlisted	15
Startups Funded	4
Mentorship Provided	Structured 1:1 mentorship & advisory sessions
Industry Engagements	Pilot testing, product validation
Investor Engagements	VC meetups, pitch events

Beneficiary Profiles in FY2024–25

Startup Name	Domain	Stage	Focus
Planzit	SaaS for Mobility	Prototype	Multimodal urban mobility platform
Varnika	EV Charging Infrastructure	Consumer Validation	Doorstep EV charging solutions
Baud Resources	Energy Efficiency	Consumer Validation	Gravity-based energy storage
GroKalp H2CNT	Advanced Materials	Prototype	Carbon nanotube applications for lightweight mobility

Potential Impact Dashboard

Impact Area	Indicator	Planzit	EV Recharge	Baud Resources	GroKalp
Economic Impact	Jobs Created	+60	+10	+10	+15
	IP Generated				CNT manufacturing methods (potential IP)
	Product Prototypes	Urban transit app (prototype)	Mobile EV charging unit		CNT-based materials
Social Impact	Indigenous Capability Built			Grid stability tech for India	Domestic CNT production
	Inclusion of Local Talent	Focus on Indian urban transport users	Driver and technician roles	Indian R&D ecosystem	
Environmental Impact	Green Tech Solutions Supported	Optimises public transport use	Grid-free EV charging	Gravity storage for EV infra	Reduces carbon in transport
	Projected Emissions Reduction	Potential reduction via mode shift	Accelerates EV adoption	Reduces fossil fuel reliance	Efficient lightweight materials
	Circular Economy Contribution		Efficient energy use	Energy reuse systems	Durable CNT reduces waste
Global Positioning	Export Readiness	Scalable platform (cab, private bus)	Doorstep model scalable globally		Next-gen material for global EV/aerospace
	Global Partnership s Formed				Potential in aerospace markets

Stakeholder feedback:

3 Key Informants Interview

- IIT D- FITT I person
- Startup beneficiaries- 2 persons

Key Findings from stakeholder interviews

- High Failure Rate in Pre-Seed Stage (80%–90%) is managed by Milestone-based funding and rigorous vetting through premier testing ecosystems (IIT/IISc). This approach enables early identification of high-potential, category-defining innovations.
- Long R&D Gestation Cycles, Technical review panels, and structured monitoring (e.g., quarterly reviews ensure accountability. Early engagement offers a first-mover advantage in transformative technologies.
- Limited Market Access is addressed by strategic B2B matchmaking and international partnerships, which enhance commercialisation potential. Strengthens export readiness and aligns with Make in India and Atmanirbhar Bharat objectives.
- Capital-intensive prototyping is addressed by access to shared lab infrastructure and ecosystem grants lowers development costs. Prototypes facilitate affordable IP creation and accelerate innovation cycles.
- Indigenous Component Manufacturing gaps put heavy dependency on imported components like motors and controllers in EVs.

Project Activities

- Call for Applications (15 Jan – 28 Feb 2025)
- The program launched a national call inviting startups in mobility innovation. Outreach was executed through

student entrepreneurship cells, digital campaigns, and industry partnerships, resulting in 280 applications from diverse domains. Initial Screening &

- Shortlisting (1 – 15 Mar 2025) A rigorous screening process evaluated startups on: - Relevance to mobility (EVs, logistics, energy, etc.) - Alignment with program vision - Basic eligibility (legal entity, validation stage) 15 high-potential startups were shortlisted. Formation of the Evaluation Committee
- (18 Mar 2025)An expert panel from industry, academia, investment, and legal domains was convened, including leaders from Sona Comstar, IIT Delhi, Cybermedia, Mankind Family Office, and TBIU. This ensured balanced assessments across technology, business viability, and scale potential. Comprehensive
- Startup Evaluation: Each startup was assessed using a structured framework: - Technical Feasibility: Tech readiness, IP, R&D depth - Business Viability: Market demand, revenue models - Scalability: Expansion roadmap, growth readiness - Team Strength: Founders' competence, execution ability - Innovation: Novelty, differentiation, sustainability impact.

Alignment with National & Global Priorities

- The Companies Act Schedule VII Section 135
- UN Sustainable Development Goal
 - SDG₇- Affordable and Clean Energy
 - SDG₁₂- Responsible consumption and production
 - SDG₁₃- Climate Action



Our Innovation will contribute to the following social impacts: Cleaner and more efficient HVAC systems, supporting India’s energy-efficiency goals. Supporting the transition to affordable electric mobility by enabling high-efficiency controllers and motors. Created 4 new local jobs this year, and we expect to double our team size in the next 12 months. Till date we received INR 32,64,626 from FITT, which has helped us immensely in prototype development and testing. Beyond financial support, incubation has helped us in many aspects, such as technical mentorship and guidance, networking opportunities, investor connections, etc.

by Calvem Energy



The support in incubation and fund is highly valuable which enabled us to develop and prototyping the unique solution for the commercial vehicle. Once the idea is taken further can also be applied to tractor and commercial vehicle retro fitment.

by Quanteon



LIST OF BENEFICIARY STARTUPS

1. Vimla Rani Arora Enterprises Private Limited (Planzit)

Year of Inception | 2025

Domain | SAAS (Software as a Service)

Maturity Stage | Prototype Technology Readiness Level TRL (6-7)

Description | Planzit is an innovative mobility platform revolutionising urban transportation in India by integrating multi-modal transit planning, live tracking, and in-app ticketing. Addressing commuter challenges like app-hopping, unreliable schedules, and safety concerns, it streamlines public transport access into a single platform. With a vision to scale into the cab and private bus aggregation, Planzit leverages real-time data and a strong tech backbone to enhance efficiency. This startup has the potential to redefine urban mobility, making public transport seamless, accessible, and efficient.

3. Varnika Energy Private Limited (EV recharge)

Year of Inception | 2024

Domain | EV Charging Infrastructure

Maturity Stage | Consumer Validation

Technology Readiness Level TRL (7-9)

Description | EV Recharge transforms electric vehicle (EV) charging with innovative grid-free, doorstep charging solutions. Eliminating the need for drivers to locate charging stations enhances convenience and accelerates EV adoption. The startup leverages advanced technology to ensure fast, safe, and efficient charging while providing real-time battery status updates. With a commitment to sustainability, EV Recharge plays a crucial role in reducing carbon emissions and supporting the transition towards a cleaner, more ecofriendly transportation ecosystem.

4. Baud Resources Private Limited

Year of Inception | 2017

Domain | Energy Efficiency

Maturity Stage | Consumer Validation

Technology Readiness Level TRL (7-9)

Description | Baud Resources is pioneering gravity storage solutions to revolutionise sustainable energy in the mobility sector. By enabling efficient long- for electrified transport. Its innovations support clean mobility by stabilising energy grids and ensuring a continuous power supply for EV infrastructure. Through sustainable energy management, Baud Resources is driving India’s transition to carbon-free mobility, reducing reliance on fossil fuels and fostering a resilient green energy ecosystem.

5. GroKalp H2CNT Private Limited

Year of Inception | 2024

Domain | Advance Material

Maturity Stage | Prototype

Technology Readiness Level TRL (6-7)

Description | Grokalp is pioneering carbon nanotube (CNT) solutions to revolutionise the mobility industry with lightweight, high-strength, and thermally stable materials. Enhancing gas turbine efficiency, anti-icing coatings, and Li-ion battery performance drives advancements in aerospace, EVs, and energy storage. With its cost-effective CNT production, Grokalp reduces reliance on imports, strengthens India’s manufacturing ecosystem, and fosters sustainable mobility innovations. Its breakthrough materials enable next-gen transport technologies, ensuring efficiency, durability, and a lower carbon footprint.

Impact Dashboard – FITT Innovation in Mobility Project (FY 24–25)

Startup	Impact Area	Indicator	Value / Status (FY 24–25)
Planzit (Vimla Rani Arora Enterprises Pvt Ltd)	Economic Impact	Seed Capital Mobilised	INR 33 Lakhs (CSR Grant)
		Jobs Created	15-20 (Tech & Operations)
		Startup Valuation	~INR 50 Crores (projected)
	Technological Progress	TRL Advancement	TRL 6 → TRL 9
		IP Generated	1 Application (Crowd Sourcing of Location Data of Buses and Metro)
		Product Prototypes	Android/iOS MVP with live pilot in 3 cities
	Social Impact	Indigenous Capability Built	Yes – Built on an in-house mobility data stack
		Inclusion of Local Talent	30% team from Tier II/III cities
		Youth Innovation Access	Internships via IIT Delhi & outreach
	Environmental Impact	Green Tech Solutions Supported	Yes – Encourages public transport usage
		Projected Emissions Reduction	~5–7% modal shift from private to public transit
		Circular Economy Contribution	Indirect – Reduced traffic load, efficient routing
	Global Positioning	Export Readiness	Nil
		Global Partnerships Formed	Nil
evRecharge (Varnika Energy Pvt Ltd)	Economic Impact	Seed Capital Mobilised	INR 50 Lakhs (CSR Grant)
		Jobs Created	100+ (Manufacturing & Service Ops)
		Startup Valuation	~INR 150 Crores (projected)
	Technological Progress	TRL Advancement	TRL 8 → TRL 9
		IP Generated	1 Patent Filed (Grid-Free Mobile Charging Unit)
		Product Prototypes	Fully operational prototype in 10+ regions
	Social Impact	Indigenous Capability Built	Yes – Designed and assembled in India
		Inclusion of Local Talent	70% of the workforce from local communities
		Youth Innovation Access	Upskilling of EV technicians and establishing CoEs in universities.
	Environmental Impact	Green Tech Solutions Supported	Yes – Clean energy mobility
		Projected Emissions Reduction	~120 Tonnes CO ₂ /Month (Per 1000 users)
		Circular Economy Contribution	Reusable battery components under development
	Global Positioning	Export Readiness	Targeting the European B2B market
		Global Partnerships Formed	Under discussion with fleet providers abroad
Baud Resources Pvt Ltd	Economic Impact	Seed Capital Mobilised	INR 44 Lakhs (CSR Grant)
		Jobs Created	35 (R&D and BD)
		Startup Valuation	~INR 250 Crores (projected)
	Technological Progress	TRL Advancement	TRL 7 → TRL 9
		IP Generated	5 IPs Filed
		Product Prototypes	A commercial pilot was integrated with the EV fleet after the feasibility study.
	Social Impact	Indigenous Capability Built	Yes – 100% Made-in-India system
		Inclusion of Local Talent	6,000 man-days of labour work per MW. 40-50% of local blue-collar people per power plant.
		Youth Innovation Access	Student engagement via fellowships
	Environmental Impact	Green Tech Solutions Supported	Yes – Clean energy storage
		Projected Emissions Reduction	16,500 Tonnes CO ₂ /Year
		Circular Economy Contribution	Long-life components, modular reuse
	Global Positioning	Export Readiness	Yes – Scouting OEMs in EU
		Global Partnerships Formed	Nil

Startup	Impact Area	Indicator	Value / Status (FY 24–25)
GroKalp H2CNT Pvt Ltd	Economic Impact	Seed Capital Mobilised	INR 33 Lakhs (CSR Grant)
		Jobs Created	15 (Materials R&D, Production and Finance)
		Startup Valuation	~INR 58 Crores
	Technological Progress	TRL Advancement	TRL 6 → TRL 9
		IP Generated	2 Patent Applications (Extreme Composite)
		Product Prototypes	MWCNT slurry for cathode for Li-ion cells
	Social Impact	Indigenous Capability Built	Yes – Local CNT manufacturing unit
		Inclusion of Local Talent	~100% team from STEM colleges in India
		Youth Innovation Access	Workshops on nanotech applications
	Environmental Impact	Green Tech Solutions Supported	Yes – Enhances EV & turbine efficiency
		Projected Emissions Reduction	~10–12% improved energy efficiency
		Circular Economy Contribution	CNT reuse and recovery R&D underway
	Global Positioning	Export Readiness	High – Targeting material OEMs in Japan.
		Global Partnerships Formed	Under negotiation with investors.

PROJECT 2 | CENTRE FOR INNOVATION INCUBATION AND ENTREPRENEURSHIP (CIIE INITIATIVES-IIMA)

CSR Pillar: Samridh Bharat (Environment & Sustainability)

Project Overview

Name of Implementing Partner: CIIE Initiatives-IIMA Ventures
Project Location: Ahmedabad, Gujarat

Project Objectives

To foster entrepreneurship by supporting early-stage, product-focused startups in emerging technology domains. The aim is to enable these startups to grow into sustainable businesses that create social and economic value.

Built at IIM Ahmedabad, IIMA Ventures (formerly known as CIIE) is the country’s leading entrepreneurship centre and early-stage technology investing platform. IIMA Ventures backs fearless entrepreneurs building disruptive solutions and stands with the startups at their risky early stages when they need more support while there is hardly any available. Through the continuum of incubation, acceleration, capital and insights- IIMA Ventures offers everything it takes for these driven entrepreneurs to make a superlative impact.

This project nurtures early-stage startups in sectors such as Aerospace, CleanTech, AgriTech, and Civic Tech. These startups aim to disrupt traditional models, foster sustainability, and offer cost-effective, scalable solutions.

Project Activities

- Continued portfolio support and strategic mentoring to identified startups.
- Facilitated fundraising support through networks (e.g., SIDBI, Other Investors).
- Enabled access to infrastructure (e.g., IISc labs) and expert advisory.
- Supported startups in business model refinement, market and investor connections.
- Conducted regular check-ins to monitor startup progress and offer assistance as required.

Project Outputs (FY 2024–25)

- 2 advanced deep-tech startups identified for FY 2024-25
- Seed funding mobilised (INR 4.37 Cr from investor network)
- Prototype and product development stages advanced
- International partnerships and market negotiations initiated by supported startups
- Potential to create high-tech job opportunities (team expansion underway)
- Strategic contribution to India's aerospace and cleantech ecosystems
- Development of export-ready and globally competitive technologies
- Increased self-reliance in indigenous hardware for space and defence
- Startups progressing towards commercial viability.

Since the start of this engagement, have supported 5 Start-ups with a pre-seed capital, names of which are as follows:

Financial Year	Start-up Name	Focus Area	Key Wins
FY22-23	Renkubē	AI-powered 3D glass design and Motion- free Optical Tracking Technology	Increases the solar panel energy yield by 20% and reduces the cost of energy generation by 12%.
FY23-24	Nabh Drishti Aerospace	Fuel-flexible microturbines range of 300 and 1000 SHP based on clean fuel technology	\$3 Mn raised in April25 funding round, 16-member expert team, UK client in pipeline
FY23-24	Guerin Technologies	Flexible composites with high strain capacity, which simplifies intricate space mechanism Rollable & custom antennas	TRL advancement, ISRO collaboration, AUS partnership
FY24-25	IoTā Diagnostics	Advancing diagnostic accessibility for women	Cervical cancer screening solution
FY24-25	Hydrovert	Hydrogen Mobility for Last-Mile	Hydrogen 3W vehicle with 600kg payload, 3-min refill, 250 km range

Potential Impact Dashboard: IIMA Ventures Incubation Investment

To capture the long-term social, environmental, and global positioning impact of pre-seed startups supported under the CSR program.

Scope: 5 deep-tech startups in space tech, healthcare, diagnostics, green mobility, and renewable energy

Startup Name	Theme	Social	Environment	Global
IOTA Diagnostics Affordable Women's Healthcare	• M-Strip adoption by 96% of users in pilot; detects 9% high-risk HPV prevalence BioSampler deployed in clinical trials, labs, and CROs globally CDSCO- approved, ISO-certified, and patented	Preventive diagnostics for rural women	Cold-chain free, low waste sampling	• Recognised by Zydus • Expanding in the global healthcare ecosystem
Guerin Technologies Strategic Space Tech from India	• Rollable antennas (TRL 4.5). Active PoC with ISRO & Bellatrix • Incubated at ATIRA with access to cleanrooms & composite labs	Enables resilient Communication infra	Lighter Satellite = lower fuel emissions	Export-ready with unique composite innovation
NABH Drishti Aerospace Green Turbines Civil Defence	• Fuel-flexible micro gas turbine design completed; prototype under way • Combustion testing at IISc; • \$3Mn Series A round • Applications: UAVs, Urban • Air Mobility, Clean Power	Future applications in disaster relief, rural aviation	Hydrogen- ready combustion, clean decentralised power	Collaboration with top aerospace experts; global UAV traction
Hydrovert Hydrogen Mobility for Last-Mile	• Hydrogen 3W with 600kg payload, 3- min refill, 250km range • Competitive operating cost vs. diesel, EVs, CNG Supported by advisors from MIT, Univ. of Florida, NCL Pune	Increased earnings for delivery drivers	Zero tailpipe emissions, lower lifecycle emissions	Engaging with Tata, Volvo
Renkubē Solar Innovation for Agri & Industry	• 40%+ energy yield boost via motion-free optical panels • Pilots: HAL, Telangana Univ, Atria Power • Passed global TUV safety, hail, and heat tests	Energy access for rural agri communities	Longer panel life, low-wear system	• NREL, Fraunhofer, NSEFI collaborations; • Winner of BP Ventures & • Winner of National Startup Award

Cumulative Impact

- **Social Impact:** Healthcare access, inclusion, local job creation
- **Environmental Impact:** Emission reduction, resource efficiency, clean energy
- **Global Positioning:** R&D leadership, global partnerships, IP creation
- **Women Empowered via M-Strip:** 1000+ (Pilot phase)
- **Emission-free delivery range enabled:** 250 km/day/ vehicle

Alignment with National & Global Priorities

- The Companies Act Schedule VII Section 135
- UN Sustainable Development Goal
 - SDG₇ - Affordable and Clean Energy
 - SDG₁₂- Responsible consumption and production
 - SDG₁₃- Climate Action

We received INR 50 Lakhs from IIMA Ventures. They have helped us in raising additional ~INR 2 Cr through their network in our recently closed funding round of \$3Mn. We have been able to create a team of 15+ members and growing. We will be able to increase local jobs once the venture is scaled further.

NABH Drishti

PROJECT 3 | SONA COMSTAR SCHOLARSHIP – ASHOKA UNIVERSITY

CSR Pillar -Stree Shakti Bharat (Women Empowerment)

Project Overview

Name of Implementing Partner: International Foundation for Research & Education (Ashoka University)
Project Location: Sonipat, Haryana
Project Duration: FY 2022–2025

Project Objectives

The Sona Comstar Scholarship instituted for 3 years for FY 2022-2025 is awarded through Ashoka University's need-based financial aid system, supporting meritorious women who otherwise would not be able to afford a high-quality STEM education due to financial constraints. To provide financial aid to deserving and high-performing women from economically weaker backgrounds pursuing undergraduate programs, specifically in STEM fields—at Ashoka University. Ashoka University offers a 3 Years of Bachelor's degree as per UGC guidelines and 4th year is offered as an ASP, which is a Post Graduate Diploma.

Beneficiary Profile (FY 2024–25)

A total of 15 women scholars have been supported since FY 2022. Fee waivers range from 25% to 100%, depending on financial need and academic performance. Three new STEM-focused scholars replaced non-STEM students in FY 2023–24. 3 scholars who were on this list have opted out of STEM subjects and hence have been replaced with 3 new scholars who are pursuing STEM subjects.

S. No.	Name (withheld)	Scholarship Code
1		100% Tuition Fee Waiver
2		50% Tuition Fee Waiver
3		50% Tuition Fee Waiver
4		65% Tuition Fee Waiver
5		50% Tuition Fee Waiver
6		65% Tuition Fee Waiver
7		25% Tuition Fee Waiver
8		65% Tuition Fee Waiver
9		25% Tuition Fee Waiver
10		100% Tuition Waiver - Science Merit Scholar (SMS)
11		50% Tuition Fee Waiver
12		100% Tuition Fee and 50% Residence Fee Waiver
13		100% Tuition, Residence & Meal Fee Waiver
14		80% Tuition Fee Waiver
15		25% Tuition Fee Waiver

Project Impact (FY 2024–25)

- **Enabled Academic Transition into STEM:** Supported students in shifting into STEM disciplines, such as from humanities to computer science.
- **Boosted Confidence and Motivation:** Reinforced scholars' belief in their academic and career goals, particularly in male-dominated fields.
- **Encouraged Holistic Academic Exploration:** Empowered students to explore interdisciplinary courses, enriching their educational experience.
- **Reduced Financial Barriers:** Scholarships ranging from 25% to 100% covered tuition, residence, and meal costs, reducing financial stress for recipients.
- **Expanded Career Aspirations:** Enabled students to pursue careers in tech, consulting, healthcare, and environmental sectors.

Stakeholder Feedback – Student Reflections

Kenisha Chandhok – 3rd Year, Major: Computer Science

- Initially enrolled in English & Media Studies, Kenisha switched to Computer Science after discovering a renewed interest in technical subjects.
- Described a smooth transition to STEM thanks to mentorship and peer support at Ashoka.
- Currently interning with Protiviti Global's data and digital team; aims to pursue product management or financial consulting.
- Grateful for the scholarship, which provided crucial support during her academic transition.

I realised I can't exactly give up on the technical and mathematical side of things... so I picked the next best thing, which was Computer Science.

Kenisha Chandhok

Anurima Biswas – 2nd Year, Major: Biology

- Drawn to Ashoka for its interdisciplinary learning and liberal arts focus.
- Engaged in diverse coursework, including Environmental Studies and Archaeology.
- Aspires to work in healthcare management, integrating science with ethical business practices.
- Scholarship helped her embrace a broader academic experience while easing financial stress.

I think I really enjoy the way that the university sort of gives you a holistic perspective when it comes to academics and extracurriculars.

Anurima Biswas

PROJECT 4 | SCHOOL SANITATION & INFRASTRUCTURE PROJECT

CSR Pillar: Swachh Bharat (Sanitation & Hygiene)

Project Overview

Name of Implementing Partner: Directly by Sona Comstar
Project Location: Tamil Nadu, India

Project Objectives

- To provide clean sanitation and toilet facilities to 8 Government schools in Tamil Nadu
- To build a toilet complex for students of Paladum school, Chennai.

Tamil Nadu is estimated to have 6.1 million adolescent girls and yet around 7837 schools have either dysfunctional toilets or no toilet facilities at all. The implication of such poor infrastructure is an adverse impact on learning and results in drop out from schools in most of the cases. Ensuring that there are proper health and hygiene facilities and awareness for girls at the school level is an extremely important building block for quality education.

Schools Covered Under the Program

Sl. No	School Name	Location	No. of Boys	No. of Girls	Year of Inclusion
1	Government Higher Secondary School	Maraimalai Nagar	391	310	2015
2	Government Higher Secondary School	Vandalur	426	351	2016
3	Government Higher Secondary School	Nellikuppam	354	331	2017
4	Government Higher Secondary School	Singaperumal Koil	401	317	2018
5	Government Girls' Higher Secondary School	Padappai	0	1280	2020
6	Government Higher Secondary School	Manampathi	321	142	2021
7	Government Higher Secondary School	Chunambedu	211	210	2022
8	Government Higher Secondary School	Sembakkam	251	274	2023

Project Impact (FY 2024–25)

- A total of 5,570 students across 8 government schools were served.
- Girls (3,215) form the majority, underscoring the need for focused sanitation efforts for adolescent girls to be met by the program.
- The Padappai school is a girls-only institution with 1,280 students, making it a high-impact intervention site.
- The program has expanded steadily since 2015, indicating a strategic and phased rollout.
- Schools that have been added in 2015-17 may need renovation after 10 years of installation.
- Toilets alone may not directly cause increased attendance, but they remove a significant barrier, especially for adolescent girls and students with disabilities.
- Other factors like awareness, safe access, water availability, menstrual hygiene facilities, and school culture play complementary roles.

A 2014 report by the Ministry of Human Resource Development (MHRD), India, found that over 23% of girls drop out of school when they reach puberty, largely due to inadequate sanitation.

The new toilet construction supported by Sona Comstar is filling a critical infrastructure gap, improving dignity, hygiene, safety, and inclusivity for students. The enthusiastic involvement of school staff, proactive monitoring, and visible community support reinforce the project's positive impact, with potential for long-term improvement in school enrolment, gender equity, and student well-being

The success of the infrastructure initiative goes beyond physical construction—effective maintenance, behavioural change, and community integration have played a pivotal role in sustaining the impact

Project Activities

- Maintenance of 8 Government schools in Tamil Nadu, with a total of 5,570 students
- Construction of one restroom complex (separate for boys and girls), each measuring 602 square feet.

- The other govt schools, which are not supported by Sona Comstar have very poor hygiene. The teachers & parents have to pool in resources like money and time to keep the toilets complex cleaner and hygienic.
- There is an incinerator provided in every school and the cleaning staff burns the soiled pads once a day. this ensures the incinerators are used properly and are in working condition.

Stakeholder Feedback:

Government Higher Secondary School, Sembakkam

Based on the KII conducted with the 2-cleaning staff of Government Higher Secondary School, Sembakkam under the Sona Comstar CSR initiative, the following key insights and impact observations can be drawn:

Key Impact Findings Key Findings from Stakeholder Interaction – Cleaning Staff (FGD)

- Local Hiring Ensures Timely Service and Ownership**
Both cleaning staff members, Mrs. Kanni Amma and Mrs. Durga, are residents of the same village,

ensuring punctuality and consistent attendance. Their local presence also helps them build rapport with students, fostering discipline and hygiene responsibility.

2. Regular and Timely Maintenance Practices

Toilets are opened and cleaned multiple times daily—before school begins, after breaks, and post-lunch hours—ensuring continued hygiene. The staff also support girl students during menstruation, improving privacy and dignity.

3. Reliable Employment with Financial Stability

The cleaning staff expressed satisfaction with their employment, receiving timely monthly payments (~INR 11,000 after deductions) via bank transfer. They see this as a valuable opportunity and feel respected as part of the school system.

4. Student Behaviour and Hygiene Improvements

Initially, there were concerns about student misuse (like throwing waste in commodes), but over time, awareness and discipline improved. Students now use dustbins properly and maintain cleanliness. Girls especially have adopted better hygiene practices, which they carry back to their homes.

5. Enhanced Safety and Reduced Open Defecation

Previously, boys would urinate outside the school premises, causing health and safety risks. The presence of functioning toilets has addressed this issue, keeping the environment clean and safe for all.

6. Positive Influence on Families and Community Habits

The exposure to well-maintained toilets has influenced students to demand toilets at home, especially girls. Improved hygiene practices such as hand washing and personal grooming are being adopted by students and shared with their families, promoting a ripple effect of behavioural change.

After the toilets were built, we worried if students would misuse them—but now they keep it clean and even teach others. Girls feel safe and confident, and some are even asking their parents to build toilets at home.

Mrs. Kanni Amma, Cleaning Staff

Key Impact Findings from Supervisor Stakeholder Feedback

Based on the KII with Murali, Supervisor with 10 years of experience, responsible for overseeing toilet and infrastructure maintenance in eight government schools under the Sona Comstar CSR initiative, the following key findings and impact observations emerge:

1. High Quality of Infrastructure Praised

Murali rated the maintenance of Sona Comstar-supported infrastructure as “Very Good”, asserting that the toilet infrastructure is better than even local private schools. He highlighted the presence of functioning incinerators for menstrual hygiene, which are absent even in private schools.

2. Effective Multi-School Supervision

Murali oversees the infrastructure in eight government high schools, coordinating with cleaning staff, preparing material indents for approval by the CSR team, and ensuring prompt responses to plumbing or electrical issues. His involvement includes proactive engagement with school staff to improve the environment, such as planting ornamental plants based on teacher suggestions.

3. Infrastructure Positively Impacting Enrolment & Retention

He observed that toilet infrastructure has played a key role in reducing dropouts, especially among girls transitioning from primary to high school. Parents visiting the schools have expressed satisfaction with the facilities, encouraging them to send their daughters for further education. This has resulted in an increase in school strength and improved academic performance among girl students.

4. Student Behaviour & Hygiene Ownership

Initially, there were issues with students misusing toilets. However, after consistent sensitisation by teachers and cleaning staff, students now treat the infrastructure as their own. Murali emphasised that they were instructed to handle student behaviour amicably, not harshly, to foster long-term responsibility and mutual respect.

5. Challenges are Minimal but Exist

Maintenance challenges are rare. The only notable issue is vandalism by trespassers during school holidays, which occurs when the premises are unmonitored. However, such incidents are infrequent and manageable.

The toilets built under Sona Comstar are better than those in private schools. Parents are happy, especially for their daughters, and we are seeing fewer dropouts and better attendance. Students now take care of the toilets like their own property.

Murali, Supervisor – CSR Infrastructure, Sona Comstar



Toilet complex built in Government schools in Chennai, Tamil Nadu

Key Findings from the Stakeholder Interview

Based on the Key Informant Interview (KII) with Mrs. Alamelu, the Point of Contact at Government Higher Secondary School, Padalam, the following key insights emerge regarding the Sona Comstar-supported toilet construction project:

1. Pre-Intervention Challenges Were Severe

Before Sona Comstar’s support, the school faced serious infrastructure deficiencies — only two poorly maintained washrooms for a large student population across six villages. Limited budgets led teachers to personally fund cleaning materials, and delays in repairs due to cost constraints resulted in poor hygiene and deteriorating facilities.

2. Negative Impact on Attendance – Especially Among Girls

The lack of functional, private, and hygienic toilets caused frequent absenteeism among girl students, especially during menstruation and rainy seasons.

Damaged doors and leaking roofs created discomfort and embarrassment.

Inadequate infrastructure also impacted the attendance of differently-abled students, who lacked access to western-style toilets.

3. Strong Selection Logic & Inclusive Design

The school was selected based on its rural location and student coverage across multiple villages. Notably, the new toilet infrastructure includes Western-style commodes, offering dignity and comfort to differently-abled students, showcasing inclusive planning.

4. High Satisfaction with Construction Quality and Monitoring

The school is highly satisfied with the quality of construction. The process has been smooth, non-disruptive, and regularly monitored by both the Sona Comstar supervisor and the school’s infrastructure committee. The principal emphasised

zero compromise on quality, referencing similar successful executions in other schools.

5. Positive Reception and Anticipated Enrolment Increase

There’s growing excitement among students, particularly girls, about the improved sanitation facilities. The principal anticipates a rise in school enrolment, especially of girls, as toilet access is often a decisive factor for parents. The risk of students leaving the school premises for urination (especially boys) will reduce, improving safety and hygiene.

6. Sustainability Measures and Future Planning

While Sona Comstar will provide cleaning staff initially, the school is exploring sustainable maintenance options, including departmental funding or external donors. Mrs. Alamelu acknowledged the limitations of collecting user fees due to potential public backlash but is committed to ensuring continued upkeep.

Our students, especially the girls, are excited about the new toilets. Earlier, lack of privacy and poor hygiene kept them away during their periods. This initiative will not only improve attendance but also bring more girls back to school.

Mrs. Alamelu, POC, Govt. Higher Secondary School, Padalam

PROJECT 5 | GO GREEN INITIATIVE

CSR Pillar: Swachh Bharat (Sanitation & Hygiene)

Project Overview

Name of Implementing Partner | CATCH Foundation

Project Location | NSG Campus, Aravalli Hills, Manesar, Haryana

Project Duration | 4 years (1 year plantation + 3 years post-plantation maintenance)

Project Objectives

Under the project a total of 45,767 saplings, comprising 20,000 Beema Bamboo and 25,767 native tree species, were planted using the Miyawaki forest methodology. This afforestation effort will span 14 acres across four designated plots (Plots 3, 4, 5, and 6) located on the NSG campus in Manesar, nestled within the Aravalli hills.

This initiative directly addresses pressing environmental challenges prevalent on the NSG campus, including deforestation, land degradation, and the proliferation of invasive species such as Prosopis Juli flora (commonly known as Vilayati Kikar). This invasive species is notorious for suppressing native flora and accelerating groundwater depletion. By adopting the Miyawaki

method, the project seeks to establish dense, biodiverse plantations that accelerate ecological succession and restore the natural balance of the ecosystem.

In addition to carbon sequestration and ecological restoration, the project emphasises sustainable afforestation practices and will be carefully implemented and monitored to ensure long-term environmental benefits. The goal is to enhance local biodiversity, improve soil health, and build climate resilience in the region.

The project is spearheaded by the Centre for Action Towards Community Health (CATCH) Foundation, a Gujarat-based not-for-profit organisation committed to ecological restoration and sustainable development. The foundation brings extensive expertise in afforestation, soil rejuvenation, and biodiversity conservation, and applies science-based approaches like the Miyawaki plantation technique. Through close collaboration with corporate and government partners, the CATCH Foundation aims to restore degraded landscapes and combat the impact of invasive species, thereby supporting a greener and more resilient environment.

Alignment with Sustainable Development Goals (SDGs):

This initiative contributes directly to several United Nations Sustainable Development Goals:

- SDG 13: Climate Action – through large-scale carbon sequestration and climate resilience measures.
- SDG 15: Life on Land – by restoring native ecosystems, improving biodiversity, and combating the spread of invasive species.
- SDG 6: Clean Water and Sanitation – by promoting groundwater recharge and reducing the impact of water-depleting invasive flora.
- SDG 11: Sustainable Cities and Communities – by enhancing green cover and improving the quality of urban environments.
- SDG 17: Partnerships for the Goals – by fostering collaboration between civil society, government agencies, and corporate stakeholders for ecological restoration.

Project Activities (Over 112 Days)

- Land preparation- The land was rocky and had invasive Vilayati Kikar. It was prepared under the CVSP Miyawaki method
- Excavation of invasive species Vilayati Kakkar
- Manuring and soil mixing
- Use of rotavator
- Borewells were dug, and drip irrigation lines were set up
- Marking for planting of saplings
- 12-16 workers are employed by Catch for this project every month for the maintenance of the saplings

- The workers are from the neighbouring villages.

Technical support is provided by CSIR-NEERI & NSG, under the Tripartite Memorandum of Understanding signed on February 28, 2024.

Project Outputs: Scientific Environmental Assessment

- Detailed soil quality assessments and recommendations.
- Identification and selection of suitable native plant species.
- Scientific plantation design and layout.
- Estimation of carbon sequestration potential and baseline data collection.

Implementation of Plantation Activities

- Execution of afforestation using native species on barren/degraded land.
- Use of scientifically recommended methods for site preparation and planting.
- Maintenance of the plantation as per agreed timelines and ecological standards.

Project Planning & Monitoring Framework

- Development of a project-specific implementation plan, including time frame and budget.
- Use of environmentally sustainable afforestation practices.
- Restoration of degraded land aligned with climate action and biodiversity goals.
- Strengthening of institutional frameworks for multi-stakeholder environmental projects.
- Land preparation using soil excavation, manure mixing, and levelling.
- Use of rotovator and setup of drip irrigation systems.
- Plantation of 45,767 saplings.20,000 Beema Bamboo & 25,767 of native species.
- Ongoing maintenance of saplings to ensure high survival rate.

Employee Volunteering Initiative

- On 30th July 2024, 28–30 employees participated in a tree plantation drive at the project site alongside CATCH Foundation. This event emphasised the company's commitment to sustainability and encouraged employee involvement in environmental action.

Key findings on Project Impact

- 14 acres of land in the NSG Compound nestled in the Aravalli Forest Manesar has been scientifically planted
- Approximately 3,821 saplings (8% of 45,767) have been replaced/replanted this year. Bambusa Balcooa-2,484 Native Species-1,337

Expected Outcomes (Long Term Impact) (Post-Year 1)

- Achieve 92% sapling survival rate one year after plantation.
- Restore biodiversity by replacing invasive flora with native species.
- Improve soil quality and stability with organic enrichment.
- Track carbon sequestration to assess environmental impact.

Potential Risks and Mitigation Strategies

Challenge	CATCH Foundation – Mitigation Strategy
Low Sapling Survival Rate	• Select native and drought-resistant species • Implement drip irrigation and mulching • Conduct post-monsoon survival audits • Use fencing to prevent grazing
Soil Degradation & Invasive Species	• Collaborate with CSIR-NEERI on soil health mapping
Lack of Local Ownership or Participation	• Involve NSG personnel • Organise plantation events and awareness drives
Monitoring and Data Gaps	• Use GPS-based tree monitoring tools • Conduct quarterly ecological surveys

I am truly happy and grateful to contribute to environmental conservation... It is our responsibility to take meaningful steps toward environmental sustainability.

Senior Leadership Representative

Layer-wise, species-wise Plantation List

Canopy Layer (33%)		Tree Layer (33%)		Sub-tree Layer (33%)		
4355		4355		4355		
Sr. no	Plant Name	Qty	Plant Name	Qty	Plant Name	Qty
1	Pine Tree	10	Bail Patra	483	Karen	544
2	Mahuva	290	Bail Patra	483	Karen	544
3	Neem	290	Amla	483	Kadhi Patta	544
4	Kachnar	290	Jamun	483	Ashoka	544
5	Kamini	290	Chilibill	483	Lemon	544
6	Shisam	290	Arjun Sadar	483	Bamboo	544
7	Karnaj	290	Moghany	483	Desi Anar	544
8	Bargad	290	Pilkhan	483	Peru/Jamfal	544
9	Pipal	290	Kathal	483	Ber	547
10	Aam	290	Borsali (Mohshree)	491		
11	Kadam	290				
12	Sangvan	290				
13	Lal Chandan	290				
14	Umbro (Golar)	290				
15	Ambali (Imli)	290				
16	Kasid	295				

Preparing land for planting trees for Miyawaki Forest



PROJECT 6 | ISKCON STUDENT SCHOLARSHIP SUPPORT

CSR Pillar: Saksham Bharat (Skill Development & Employability)

Project Overview

Name of Implementing Partner: Bhaktivedantam Gurukula and International School

Project Location: Vrindavan, Uttar Pradesh

Project Objective

The Sona Comstar – ISKCON Student Scholarship Support Program aims to empower underprivileged students from rural India by providing comprehensive scholarships to study at the Bhaktivedanta Gurukula and International School (BGIS). This initiative supports 36 students annually, helping them pursue holistic education rooted in both Vedic knowledge and modern academics.

- Provide financial support for underprivileged students to access quality, holistic education.
- Foster academic readiness and personal development through integrated vocational and moral education.
- Promote civic engagement, cultural awareness, and life skills among students.

BGIS, founded in 1976 by ISKCON's spiritual leader Srila Prabhupada, is a premier boys' residential school located in Vrindavan. The institution integrates spiritual, academic, and physical development in a serene, fully-equipped 100-acre campus. It emphasises values such as discipline, leadership, and civic responsibility under the philosophy of “simple living, high thinking.”

Project Activities

- Financial Support**
 - INR 1,50,000 per student annually for 36 students.
 - Covers tuition, boarding, meals, uniforms, books, medical care, and excursions.
- Comprehensive Student Services**
 - Personalised mentorship.
 - Vocational training in:
 - Sanskrit and Vedic studies
 - Organic farming
 - Dairy entrepreneurship
 - Ayurveda and holistic health
 - AI and robotics
 - Cow care and sustainable product development
- Holistic Development Programs**
 - Sports: kabaddi, Kho-Kho, archery, football, cricket, athletics.
 - Community engagement: rural outreach and service activities.

- Value-based education programs promoting social equity and cultural preservation.

Project Outputs

Output Category	Details
Students Sponsored	36 students from rural, underprivileged backgrounds
Services Provided	Academic, residential, medical, mentorship, and extracurricular programs
Outreach and Exposure	Excursions, rural awareness drives, and value education sessions

Potential Impact for Students

- Improved academic performance and higher education readiness.
- Development of leadership, teamwork, and problem-solving skills.
- Increased self-confidence and sense of responsibility.

For Families and Communities

- Improved family stability through potential employability.
- Student-led community outreach strengthened local ties.
- Ripple effect of educational awareness and youth inspiration in villages.

Cultural and Civic Benefits

- Promotion of Vedic heritage and rural traditions.
- Deepened civic responsibility and environmental stewardship.

Challenges Identified

Challenge	Description
SOP in Fund Utilisation	INR 1,50,000 per student is uniform, but students' needs vary by age and class.
Program Sustainability	Risk of disruption if CSR funding ceases.
Scalability	No clear roadmap for replicating or expanding the initiative.

PROJECT 7 | YOUTHREACH DIGITAL LITERACY PROGRAMME

CSR Pillar: Saksham Bharat (Skill Development & Employability)

Project Overview

Name of Implementing Partner: Youthreach

Project Location: Gurgaon, Manesar

Project Objectives

- To provide affordable and quality digital literacy training to underprivileged youth.
- To boost students' confidence and skill set for better job opportunities.
- To promote digital inclusion and community empowerment.

Sona Comstar, in collaboration with Youthreach, is supporting two Digital Literacy Centres—one in Begumpur Khatola Village, Gurugram, and the other in Manesar. The Digital Literacy Programme, a collaborative effort by Sona Comstar (funder), Youthreach Foundation (implementer), and NIIT Foundation (technical partner), offers a 4-month computer training course to underprivileged youth in Gurugram and Manesar. It aims to equip youth/women with practical IT skills, enhancing their confidence and job readiness through NIIT-certified training.

The Youthreach Digital Literacy Programme has had a significant positive impact on underserved communities in Gurugram and Manesar. It has fostered digital inclusion, empowered learners—especially women—and helped participants become confident, tech-savvy individuals prepared for a digital future. With strategic enhancements, the program can scale its success further.

Project Activities

Two Digital Literacy Centres were established: one in Begumpur Khatola Village,

Gurugram and another in Manesar Village. Each centre was equipped with computers, RO system, furniture, and other essential training equipment. Each location employed one NIIT-certified trainer. A total of 87 students were trained in the first batch – 47 in Gurugram and 40 in Manesar.

As of the MOU signed on 1st Nov 2024—to enhance digital skills among underserved youth. Both centres which began operations with 10 computers and added 2 more this year, bringing the total to 12 systems each.

During the project duration, each centre will reach out to 125 students, who will undergo a 4-month Certificate Course in Active Basic IT (CCAB) certified by the NIIT Foundation.

A dedicated teacher was appointed on a retainership basis at each centre and trained by the NIIT Foundation to ensure quality instruction. To maintain program effectiveness, students are expected to have a minimum of 70% attendance, and at least 70–75% of students must achieve a grade of 60% or above.

Project Outcomes

A survey of 48 students (55% of total participants) highlighted strong positive outcomes from the training program:

- 98% reported learning new skills like MS Word, Excel, PowerPoint, Canva, ChatGPT, etc.
- 95% felt more confident using computers and engaging with technology.
- 84% believed the NIIT certificate would enhance their job prospects.
- 89% said they would recommend the program to others in their community.

- Affordable training at INR 150/month compared to market rates of INR 1500–2000.
- Inclusive of all age groups above 13, attracting a diverse learner base.
- Female-friendly environment with women trainers to encourage community women's participation.
- Holistic curriculum including Canva, financial literacy, ChatGPT, and career relevant tools.
- Confidence building: students now ask questions, teach others, and apply their skills at home or work.

Challenges

- No re-admission provision for students who fail the NIIT certification exam.
- Lack of placement assistance for job-ready adult students.
- Community mobilisation challenges due to city proximity and gender norms.
- Difficulty in hiring female trainers due to stigma and travel reluctance.

Case Studies

Ritika's Story | A Journey of Determination and Transformation

Ritika, a 20-year-old from Manesar, overcame familial resistance and societal norms to pursue computer training. She scored 80% in her certification exam and now inspires others in her community.

Pinki's Story: | Embracing Change and Breaking Barriers

Pinki, Ritika's 40-year-old mother, initially hesitant, was inspired by her daughter to learn computers. She joined the training, scored 59%, and now shares a deeper bond with her daughter through shared learning.

Quotes from Stakeholders

By equipping students with digital literacy skills at a young age, they gain confidence to apply these learnings in their future careers.

Vinesh Kumar, Centre Coordinator

Each student has access to their own computer here, unlike in school where two students share one.

Sakshi, 14-year-old student

After I submit the NIIT Certificate to my company, they will upgrade my post.

Mr. Sompal, Factory Worker, Manesar



PROJECT 8 | TATA STRIVE SKILL DEVELOPMENT CENTRE

CSR Pillar: Saksham Bharat (Skill Development & Employability)

Project Objectives

- Create highly skilled & professional workforce to serve Industry demands for employment of a thriving industry locally:
- Certify students according to Industry Standards and ensure improved employability:
 - To provide wider range of skill development opportunities and thereby job opportunities to underprivileged youth:
 - To transform youth in to an employee/ entrepreneur through behaviour change, knowledge and acquisition and skill development.

Sona Comstar, in collaboration with Tata STRIVE, established a Skill Development Training Centre in Chromepet, Chennai, to address the skill gaps in the manufacturing and service sectors while promoting inclusive and industry-aligned learning, for underprivileged youth especially women. Tata STRIVE Centre aims to provide skill development opportunities leading to employment, entrepreneurship, or enhanced employability through domain and life skill training.

Tata STRIVE content has two components, the domain component and the Youth Development Module (YDM). The YDM comprises 40 percent of the total course content and mainly focuses on the life skills and values in

We now understand concepts clearly, and we are trained in software like Excel, Word, and Canva with real-world use cases.

Students FGD



action. YDM aims to empower youth to create a life plan and take steps towards achieving goals.

In alignment with Sona Comstar’s vision to encourage increased participation of women In the automotive sector, 3 training Programme were conducted

1. CNC Operators
2. BFSI (Banking and Financial sector)
3. Front Office Assistant (Hospitality).

As per the addendum signed on 20th Dec 2024, a hostel facility boarding & lodging to accommodate 45 girls (2024-25) is being provided to encourage more women participating in the program.

Tata STRIVE Skill Development Centre in Chennai, has delivered tangible outcomes in its first year as of 31st March 2025—training and certifying 211 students and successfully placing 153 students in jobs.

Key Findings on Project impact during the Financial Year 2024-25

- 264 candidates enrolled across three courses (Business Development, CNC Machinist, Front Office Associate).
- 211 candidates certified (~86% certification rate).
- 153 certified candidates placed in jobs (~75% placement rate).
- 32 candidates dropped out (~10.6% dropout rate).
- Employment: 113 students placed, with Business Development showing the highest placement rates.

- Empowerment: Activity-based learning and soft skills training enhanced confidence and job-readiness.
- Curriculum Relevance: An exclusive D&Q (Design and Quality) team is dedicated to curriculum and content development. This team regularly reviews training materials to ensure alignment with the latest NSDC Qualification Packs (QPs). The team also engages subject matter experts—such as industry partners like IHCL for Hospitality and VOLTAS for Air Conditioning—to validate and refine the curriculum. This process helps maintain consistent alignment with both NSQF standards and evolving industry requirements.
- Entrepreneurial Readiness: Students gain skills to pursue self-employment, particularly in banking and customer service sectors.
- Alumni Network: Alumni base helps students share job openings and support interview preparation.

Gender Inclusion and Participation

While the CNC Machinist course had limited female participation, Business Development and Front Office roles saw notable female enrolment. Efforts are ongoing to improve women’s participation from rural areas across all courses through community mobilisation and awareness campaigns and by making available residential facilities for the students.

Stakeholder Reflections

The communication and soft skills modules have been especially effective in enhancing student employability.

Centre Trainer



We enjoyed activity-based modules, which made it easier to retain and apply what we learned.

Student FGD

Trainees from Tata STRIVE arrive well-prepared, reducing our onboarding time and improving performance.

Recruiters

Key Challenges

- **Retention:** Dropouts due to lack of awareness, academic disinterest, or financial priorities.
- **Placements:** Limited job openings in some sectors, particularly Front Office roles.
- **Gender Bias:** Cultural barriers affecting female participation in certain courses.
- **Sustainability:** Heavy dependency on donor funding raises long-term viability concerns.

Impact Story

Aravind Krishnan | From Visual Communications to Banking Aspirations

- Aravind, a 20-year-old graduate from Medavakkam, pursued the Business Development course at Tata STRIVE, Chennai. The training helped him master business communication and banking fundamentals, boosting his confidence. Aravind successfully secured a job as a Refractionist at Lenskart with a package of INR 3 lakhs per annum, marking a milestone in his career.



Students of Tata Strive Skilling Program

Business Responsibility and Sustainability Report

Annexure – I

SECTION A- GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

S. No.	Question	Response
1.	Corporate Identity Number (CIN) of the listed entity	L27300HR1995PLC083037
2.	Name of the listed entity	Sona BLW Precision Forgings Limited (“Sona Comstar”)
3.	Year of incorporation	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	https://sonacomstar.com/
9.	Financial year for which reporting is being done	1 st April 2024 - 31 st March 2025
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 6,21,71,79,750 divided into 62,17,17,975 equity shares of INR 10/- each
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Rohit Nanda Group CFO Telephone: +91 124 476 8200 Email id: investor@sonacomstar.com
13.	Reporting boundary- Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Consolidated
14.	Name of assurance provider	Grant Thornton Bharat LLP
15.	Type of assurance obtained	Reasonable assurance

II. PRODUCTS/SERVICES

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacture of parts and accessories for motor vehicles	93

17. Products/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	27
2	Differential assembly	29301	25
3	Motor & Motor sub-assemblies	29304	36
4	Others	29301	12

III. 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	7	5	12
International	4	4	8

*Offices include R&D Centres and Engineering capability centres

19. Markets served by the entity:

a. Number of locations

Locations	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 57%.

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.

IV. EMPLOYEES

20. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

No	Particulars	Total (A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Employees						
1	Permanent (D)	1,495	1,373	91.84%	122	8.16%
2	Other than Permanent (E)	3	3	100.00%	0	0.00%
3	Total employees (D + E)	1,498	1,376	91.86%	122	8.14%
Workers						
1	Permanent (F)	318	286	89.94%	32	10.06%
2	Other than Permanent (G)	3,203	3,042	94.97%	161	5.03%
3	Total Workers (F + G)	3,521	3,328	94.52%	193	5.48%

b. Differently abled Employees and workers:

No	Particulars	Total (A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Differently Abled Employees						
1	Permanent (D)	4	4	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D + E)	4	4	100%	0	0%
Differently Abled Workers						
1	Permanent (F)	0	0	0%	0	0%
2	Other than Permanent (G)	0	0	0%	0	0%
3	Total Workers (F + G)	0	0	0%	0	0%

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors	9	2	22.22%
Key Management Personnel	4	0	0.00%

22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	FY 2024-25			FY 2023-24			FY 2022-23		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11%	21%	12%	12%	28%	13%	17%	13%	16%
Permanent Workers	3%	30%	5%	3%	24%	5%	4%	29%	7%

Note: This data is for motor and driveline division

V. 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 companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity*	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed 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	Nirsen d.o.o. Beograd-Zvezdara	Subsidiary	54	Yes
15	Novelic GmbH	Subsidiary	54	Yes

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

Note: The Company holds more than 20% in Clean Max Calypso Private Limited and Clean Max Nova Private Limited. However, the Company does not exercise significant influence or control on decisions of the investees. Hence, not being construed as associate company.

VI. CSR DETAILS

24. Provide the following CSR details

- i) Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes, CSR provisions are applicable as per section 135 of the companies Act, 2013.
- ii) Turnover (in INR) - 35,460.21 million
- iii) Net worth (in INR) - 54,210.47 million

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, 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.
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.	7	0	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	30	0	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	No complaints were filed during the financial period.	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 complaint was filed during the financial period.
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	0	0	No complaints were filed during the financial period.	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.

Note: * Complaints refer to number of issues or incidents reported by the general public/ end users directly to the company or through any social media or other communication channels.

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 opportunity (Indicate positive or negative implications)
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. Most 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, besides 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 opportunity (Indicate positive or negative implications)
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 2025, we derived 36% of our sales from BEV. We have won 58 EV programs across 32 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.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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.
9	Respect for Individuals	Risk and Opportunity	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. Any violation in human rights may lead to regulatory, legal, and legislative challenges besides making the company not a preferred employer of choice.	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. The Company strives to uphold the basic principles of human rights in all its operations. This is in alignment with its codes and policies. We also provide a vigil mechanism for our employees to report genuine concerns for any unfair and unjust incident under the ambit of law. We have also been certified as a Great Place to Work.	Potential to negatively impact the brand image, inability to retain good talent etc.

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

POLICY AND MANAGEMENT PROCESSES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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
1. b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. 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, ISO 27001, Ford Q1, JLR-Q TPM, ENMS, ASES, and VQE								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.									
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 2023-24 for ESG Goals and Targets								

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	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: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

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.									Quarterly and annually								

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.

S. no	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

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

EI-1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of directors	5	1) Prohibition of Insider training 2) Training on Anti-bribery and corruption 3) Training on Anti-money laundering 4) Training on Trade Sanctions 5) Training on evolving trends and best practice	43.18%
Key Managerial personnel	5	1) Code of Conduct & Business Ethics 2) Code of Conduct for Prohibition of Insider Trading 3) Awareness on POSH 4) E Module: Safety, Health & Environment 5) Data Privacy & Data Protection	100.00%
Employees other than BoD and KMPs	467	Ethical Compliance, Cyber Security, Data Loss Prevention & MIP, Prevention of Sexual Harassment, 7 QC Tools, SPC, MSA, CQI- 9, CQI-11, CQI-12, Problem Solving through TRIZ Methodology, Anzen Leader Safety Program, PFMEA, VMC Programming1) The training initiatives have led to measurable improvements in employee productivity, safety awareness, and process efficiency across departments. 2) Regular upskilling programs have enhanced workforce capability, resulting in better compliance with operational standards and reduced error rates. 3) Training sessions focused on sustainability and responsible practices have strengthened our employees' understanding of ESG principles, contributing to a more informed and accountable workplace culture.	100.00%
Workers	186	Code of Conduct & Business Ethics, Awareness on POSH, Safety DOJO, Product DOJO, 5- Senses, Production Rules, Process DOJO, Maintenance DOJO1) The training initiatives have led to measurable improvements in employee productivity, safety awareness, and process efficiency across departments. 2) Regular upskilling programs have enhanced workforce capability, resulting in better compliance with operational standards and reduced error rates. 3) Training sessions focused on sustainability and responsible practices have strengthened our employees' understanding of ESG principles, contributing to a more informed and accountable workplace culture.	100.00%

Remarks: Data pertains to Driveline and motor division.

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

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

During FY 2024-25, 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.

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

S. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
		Not Applicable

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

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>

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

Category	Current Financial Year	Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

Category	Current Financial Year		Previous Financial Year	
	Number - 2024-25	Remarks - 2024-25	Number - 2023-24	Remarks - 2023-24
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	-

EI-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

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

Particulars	Current Financial Year	Previous Financial Year
Number of days of accounts payables	56.59	57.96

Note: Numbers updated as per guidelines.

EI-9. Open-ness 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	FY2024-25	FY2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

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

Leadership Indicators

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

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
We conducted several training and awareness sessions on the ethical compliance framework for value chain partners during FY 2024-25. A total of 401 suppliers attended these sessions for both Motor and Driveline division.		

LI-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 a comprehensive set of policies and process across its operations and uphold integrity. To prevent and manage conflicts of interest, the company has implemented specific procedures and policies, including the Code of Conduct for Directors and Senior Management, Code of Conduct and Business Ethics the Policy on Related Party Transactions, the Policy for Determining Material Subsidiaries, the Code on Fair Disclosure of Unpublished Price Sensitive Information, the Code of Conduct for Prevention of Insider Trading, the Policy for Determining Materiality, and the Whistle Blower Policy. Additionally, the company conducts regular training and awareness programs focused on Code of Conduct and Business Ethics policy of the Company, including guidance on effectively identifying and handling potential conflicts of interest.

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

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

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	93%	91%	Development of new technologies and products for development of drivetrain and powertrain products for electric vehicles and testing equipment.
Capex	90%	75%	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.

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

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

Yes, Sona Comstar follows a Green Procurement Guideline that includes a specific Environment Declaration. Sustainability is integrated into the company's supplier selection, assessment, and evaluation processes. This encompasses an initial supplier survey, ongoing risk assessments, and regular audits. As a result, 100% of new suppliers are evaluated on sustainability criteria during the onboarding process. Additionally, the Green Procurement Guideline ensures that sustainability elements are embedded in our standard purchase contracts, and suppliers are expected to comply with these requirements.

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

Category	Description
(a) Plastics (including packaging)	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.
(b) E-waste	
(c) Hazardous waste	
(d) Other waste	

El-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 Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibilities (EPR) under the Plastic Waste Management Rules, 2016 is applicable to Sona Comstar and the company is registered under the Brand Owner and Importer category and has submitted annual EPR compliance. EPR points have been credited based on liability with an approved recycler.

Leadership Indicators

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

S. No.	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 the web-link.
No LCA conducted during the reporting period.						

LI-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.

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
	The company has not identified any significant environmental or social issues related to the production of its products, as it continues to invest consistently in the manufacturing of electric vehicle (EV) products.		

LI-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).

S. No.	Indicate input material	Recycled or re-used input material to total material	
		FY2024-25	FY2023-24
1	Steel and Casting	26%	34%

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

	FY2024-25			FY2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable as the Company does not reclaim products and packaging material at end of life.					
E-waste						
Hazardous waste						
Other waste						

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

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable as the company does not reclaim products and packaging material at end of life.		

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

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

Category	% of employees covered by										
	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	1,373	1,373	100%	1,247	91%	-	-	19	1.38%	-	-
Female	122	122	100%	79	65%	122	100%	-	-	55	45%
Total	1,495	1495	100%	1,326	89%	122	100%	19	1.38%	55	4%
Other than permanent Employees											
Male	3	3	100%	0	0%	-	-	0	0%	-	-
Female	0	0	0%	0	0%	0	0%	-	-	-	-
Total	3	3	100%	0	0%	0	0%	0	0%	-	-

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

Category	% of workers covered by										
	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	286	277	97%	277	97%	-	-	230	80%	-	-
Female	32	11	34%	11	34%	32	100%	-	-	8	25%
Total	318	288	91%	288	91%	32	100%	230	80%	8	3%
Other than permanent Workers											
Male	3,042	3,030	100%	3,030	100%	-	-	14	0.4%	-	-
Female	161	160	99%	160	99%	121	75%	-	-	120	75%
Total	3,203	3,190	100%	3,190	100%	121	75%	14	0.4%	120	3%

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

Particulars	Current Financial Year	Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the company	0.23%	0.22%

Note: Data pertains to Driveline and Motor division

EI-2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
NPS	11%	0%	Yes	9%	0%	Yes

Note: Data pertains to India locations

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

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.

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

Yes.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>

EI-5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	-*	-	-*
Total	100%	100%	100%	100%

Note: This data is for motor and driveline division.

* In previous years, no female employees or workers took maternity leave. Therefore, the retention rate disclosure for female employees and workers is not applicable for the current financial year.

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

Category	Yes/No (If Yes, then 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	

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

Category	FY2024-25			FY2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No.of employees / workers in respective category, who are part of association(s)or Union (D)	% (D / C)
Total Permanent Employees	1,495	0	0%	1,363	0	0%
Male	1,373	0	0%	1,258	0	0%
Female	122	0	0%	105	0	0%
Total Permanent Workers	318	161	51%	309	163	53%
Male	286	140	49%	275	141	51%
Female	32	21	66%	34	22	65%

EI-8. Details of training given to employees and workers:

Category	FY2024-25					FY2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,376	1,376	100%	1,137	83%	1262	1,262	100%	1,190	94%
Female	122	122	100%	100	82%	105	105	100%	93	89%
Total	1,498	1,498	100%	1,237	83%	1,367	1,367	100%	1,283	94%
Workers										
Male	3,328	3,328	100%	3,096	93%	3,130	3,130	100%	3,083	99%
Female	193	193	100%	154	80%	177	177	100%	175	99%
Total	3,521	3,521	100%	3,250	92%	3,307	3,307	100%	3,258	99%

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

Category	FY2024-25			FY2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	%(D / C)
Employees						
Male	1,376	1,235	90%	1,262	1248	99%
Female	122	109	89%	105	102	97%
Total	1,498	1,344	90%	1,367	1350	97%
Workers						
Male	286	286	100%	275	275	100%
Female	32	32	100%	34	34	100%
Total	318	318	100%	309	309	100%

Remarks: Data pertains to permanent employees and workers.

EI-10. Heath and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes. 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 by the entity?	The Company identifies potential work-related incident risks through a structured hazard identification process, followed by a likelihood assessment to estimate the frequency or probability of occurrence. Based on this assessment, risk reduction measures are implemented to either prevent incidents (by reducing their likelihood) or control them (by limiting their extent and duration), as well as to mitigate any adverse effects. To further enhance workplace safety, Sona Comstar has developed an Emergency Preparedness Plan, a Mock Drill Record Evaluation Checklist, and an Aspect Register–Standard Operating Procedure Manual aimed at minimising work-related hazards. For non-routine activities, a rapid risk assessment is conducted before the activity begins. Appropriate control measures are then implemented through a work permit system, in accordance with the identified risk level, to eliminate or minimise potential hazards.
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	Yes, several mechanisms have been put in place to report work-related hazards in accordance with ISO 45001:2018, including: a) safety patrols, b) risk assessments, and c) near-miss reporting. To address and reduce such hazards, the company conducts emergency mock drills and safety exercises, while also organising capacity-building and awareness sessions to ensure employees and workers are well-versed in safety procedures and risk management practices.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, Sona Comstar is committed to promoting the overall health and well-being of its employees and workers. We have partnered with multi-specialty hospitals and provide comprehensive coverage through health, term, and accident insurance. Regular health check-ups and medical camps are organised for employees and their families. Our ‘Svastha’ Health and Wellness Initiative includes periodic health camps, yoga sessions, and workshops focused on mental well-being for all employees.

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

Safety Incident/Number	Category	FY2024-25	FY2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.34
	Workers	0.00	0.00
Total recordable work-related injuries	Employees	0	1
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Number of Permanent Disabilities	Employees	0	0
	Workers	0	0

EI-12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The company has instituted safety protocols to address workplace injuries and accidents. Lockout Tagout (LOTO) procedures have been reinforced for maintenance personnel working on designated machines to mitigate unforeseen incidents and enhance workforce productivity. In the event of a workplace accident, an action plan is developed to investigate the incident and implement preventive measures. Regular training and awareness programs are conducted on topics such as fire safety, non-conformance (NC) handling, chemical safety, road safety, and DOJO’s 8-Step training. These sessions also include modules on 5S practices, the application of the five senses in shopfloor activities, and specific operational training related to forging, heat treatment, quality inspection, packaging, trolley movement, and material handling equipment (MHA) such as forklift and truck defensive driving. A machine risk assessment process is implemented across all facilities to reduce high-risk equipment to lower risk levels. Additionally, danger prediction activity (Kiken Yochi or KY) is mandatory, and a work permit system is enforced for all non-routine tasks. Sona Comstar has implemented a comprehensive Management Policy covering Quality, Environment, Occupational Health, and Safety, demonstrating its commitment to preventing injuries and health hazards for all stakeholders.

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

	FY2024-25			FY2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

EI-14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Working Conditions	100.00%
Health & Safety	100.00%

Remarks: The assessments are carried out as part of ISO certification by a third-party.

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

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

Leadership Indicators

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

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

LI-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.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2024-25	FY2023-24	FY2024-25	FY2023-24
Employees	0	0	0	0
Workers	0	0	0	0

LI-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. 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. For employees approaching retirement, we support them by facilitating a smooth transition through structured assistance. This includes guidance on financial planning and accessing statutory benefits such as EPF withdrawals, pension applications, etc., In addition to this, Counselling sessions are offered to retiring employees upon request, providing emotional support and guidance to help them navigate this life transition and plan their next steps.

LI-5. Details on assessment of value chain partners:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
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.
Working Conditions	

LI-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

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

At Sona Comstar, stakeholder engagement is a process through which we build and maintain transparent connections with our stakeholders while communicating our strategy. We believe that stakeholder dialogue is a crucial tool for understanding their expectations and informing them about the company's social and environmental performance, as well as the associated risks. We have identified and mapped both our internal and external stakeholders, including disadvantaged, vulnerable, and marginalised groups that are impacted by or have an influence on the company's decisions. To engage with our primary stakeholders on current and potential risks, opportunities, and growth objectives, we employ a variety of flexible and diverse engagement methods and techniques.

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

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement
1	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.
2	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.
3	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 endeavours to increase the employees' engagement and competency at work as well as promotes better work-life balance for them.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement
4	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.
5	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.
6	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.
7	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

LI-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, the Board has established various committees to effectively oversee the protection of stakeholders' interests. One such committee is the ESG committee, which is responsible for monitoring progress on key ESG initiatives and goals, as well as guiding the management on future strategies. Ongoing stakeholder engagement and consultation are carried out by the management team, along with various departments collaborating with them. The management team is tasked with reporting progress on various KPIs, key developments, and exceptions related to projects or workstreams arising from stakeholder interests to the Board and the ESG committee.

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

Yes, the company carried out a materiality assessment exercise, incorporating feedback from both internal and external stakeholders to identify key material topics. An example of how stakeholder (community) input influenced CSR activities is the company's school development initiative in Chennai. Based on community feedback, CSR spending was directed towards this cause. Some of the initiatives undertaken include:

Chennai: Supporting schools in Chennai (Tamil Nadu) with water, sanitation, and hygiene since 2015. Each year, the company selects a few schools to not only build toilets but also ensure their ongoing maintenance.

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

Sona Comstar actively engages with local communities in Gurgaon, Haryana, and Chennai, Tamil Nadu, through its Corporate Social Responsibility (CSR) initiatives. The company works to enhance the infrastructure of government schools, elevate educational standards, and boost student participation, particularly among girls. By addressing the specific needs of various stakeholder groups, Sona Comstar offers support whenever possible and feasible through its community and social development programs.

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

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

Category	FY2024-25			FY2023-24		
	Total (A)	No. of employees / workers covered (B)	%(B / A)	Total(C)	No. of employees / workers covered (D)	%(D / C)
Employees						
Permanent	1,495	1,495	100%	1,363	1,363	100%
Other than permanent	3	3	100%	4	4	100%
Total Employees	1,498	1,498	100%	1,367	1,367	100%
Workers						
Permanent	318	318	100%	309	309	100%
Other than permanent	3,203	3,203	100%	2,998	2,998	100%
Total Workers	3,521	3,521	100%	3,307	3,307	100%

El-2. Details of minimum wages paid to employees, in the following format:

Category	FY2024-25					FY2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total(D)	More than Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	%(C / A)		No.(E)	% (E / D)	No.(F)	%(F / D)
Employees										
Permanent	1,495	0	0%	1,495	100%	1,363	0	0%	1,363	100%
Male	1,373	0	0%	1,373	100%	1,258	0	0%	1,258	100%
Female	122	0	0%	122	100%	105	0	0%	105	100%
Other than Permanent	3	0	0%	3	100%	4	0	0%	4	100%
Male	3	0	0%	3	100%	4	0	0%	4	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent	318	0	0%	318	100%	309	0	0%	309	100%
Male	286	0	0%	286	100%	275	0	0%	275	100%
Female	32	0	0%	32	100%	34	0	0%	34	100%
Other than Permanent	3,203	598	19%	2,605	81%	2,998	549	18%	2,449	82%
Male	3,042	479	16%	2,563	84%	2,855	448	16%	2,407	84%
Female	161	119	74%	42	26%	143	101	71%	42	29%

El-3. a. Details of remuneration/salary/wages, in the following format: Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In million)	Number	Median remuneration/ salary/ wages of respective category (In million)
Board of Directors (BoD)	7	3.78	2	5.67
Key Managerial Personnel	4	21.54	0	0
Employees other than BoD and KMP (Permanent)	1,232	0.936	76	0.691
Workers (Permanent)	263	0.98	8	1.01

El-3. b. Provide information on Gross wages paid to females by the entity, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages*	4.01%**	3.98%**

*India Specific data

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

Note: Doesn't include ESOP perquisite value

El-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 “Fair Work Practice Guidelines” and the concerns around this can be reported at grievancesofficer@sonacomstar.com.

Nodal Officers:

- Ms. Kaushik Ramanujam, VP - HR (Driveline Business)
- Mr. Ramesh V, Associate Vice President - HR (Motor Business) Also, we have an Ethics committee composed of the Chief Executive Officer of the respective business, the Chief Financial Officer, and the Head of Legal to process and investigate the protected disclosure(s), who can be directly reached out through speakup.sbpl@sonacomstar.com or they can also be directly approached for a face-to-face meeting.

El-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
- Grievance redressal 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

El-6. Number of Complaints on the following made by employees and workers:

	FY2024-25			FY2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NIL	0	0	NIL
Discrimination at workplace	0	0	NIL	0	0	NIL
Child Labour	0	0	NIL	0	0	NIL
Forced Labour/Involuntary Labour	0	0	NIL	0	0	NIL
Wages	0	0	NIL	0	0	NIL
Other human rights related issues	0	0	NIL	0	0	NIL

Remarks: The data pertains to locations in India only.

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

Particulars	Current Financial Year	Previous Financial Year
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

Remarks: The data pertains to locations in India only.

EI-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. The Company has developed e-learning module on POSH, which is made mandatory for all the employees to clear with at least 80% passing marks each financial year.

EI-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.

EI-10. Assessments for the year:

Category	% of your 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%

Remarks: The above assessment is done by the company internally as well as by OEMs as part of their audit from time to time.

EI-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

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

Leadership Indicators

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

The Company is committed to upholding fundamental human rights across all its operations, in line with its established codes and policies. Employees are regularly educated and sensitised on the Code of Conduct, human rights, and freedom of association through targeted training and awareness initiatives. As part of its contractual obligations, the Company also updates many of its customers on its compliance with these standards. During the reporting period, no new business processes were introduced or modified specifically to address human rights grievances or complaints.

LI-2. Details of the scope and coverage of any human rights due-diligence conducted. -

Sona Comstar adheres to all applicable labor laws and holds OHSAS 18001 certification. During the induction process, employees receive training on the company’s code of conduct, which addresses key human rights issues including child labor, gender diversity, and workplace discrimination. Additionally, third-party background verification is conducted for all new hires.

LI-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? -

Yes

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

LI-4. Details on assessment of value chain partners:

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

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

EI-1. Details of total energy consumption in Gigajoules (GJ), in the following format:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A) - Solar	13,639	6,985
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	13,639	6,985
From non-renewable sources		
Total electricity consumption (D) - Grid	295,130	274,345
Total fuel consumption (E)	83,923	76,827
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	379,053	351,172
Total energy consumed (A+B+C+D+E+F)	392,692	358,157
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	11.07 GJ / Million	11.25 GJ / Million
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	228.79 GJ / Million	257.31 GJ / Million
Energy intensity in terms of physical output#	0.01 GJ / Total sales quantity	0.01 GJ / Total sales quantity

Note: Indicate if any independent assessment/evaluation/assurance for energy has been conducted by an external agency. If Yes, provide the name of the agency?

Yes. Grant Thornton Bharat LLP.

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the world bank for India which is 20.66.

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.

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

Not applicable.

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

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	26,134	0
(iii) Third party water	121,984	130,342
(iv) Seawater / desalinated water	0	0
(v) Others	522	390
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	148,640	130,732
Total volume of water consumption (in kilolitres)	148,640	130,732
Water intensity per rupee of turnover (Water consumed / turnover)	4.19 KL / Million	4.10 KL / Million
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	86.60 KL / Million	93.92 KL / Million
Water intensity in terms of physical output#	0.003 KL / Total sales quantity	0.003 KL / Total sales quantity

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

Yes. Grant Thornton Bharat LLP

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the world bank for India which is 20.66.

#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.

EI-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

Parameter	FY2024-25	FY2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(ii) To Groundwater		
- No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
With treatment – please specify level of treatment		
(v) Others		
- No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

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

EI-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. –

Yes, Sona Comstar has a Zero Liquid Discharge (ZLD) mechanism at its Gurgaon site with an operational capacity of treating 50 KLD (Kilo Liters per Day) of wastewater for reuse within the premises. A Membrane Bioreactor (MBR) and Conditioning Unit with a High Recovery RO Membrane-based Recycling System is installed in the ZLD plant to treat high TDS water. In the financial year 2024–25, the utilisation of the ZLD plant increased significantly, reaching 12,701 KL, up from 10,659 KL in 2023–24—an increase of approximately 19%. At the Chennai site, an Effluent Treatment Plant (ETP) is operational, where waste coolant from shop floor machines and floor cleaning water serves as the inlet. The treated wastewater from the ETP is then fed to an evaporator to achieve Zero Liquid Discharge.

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

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
NOx	Mg/Nm ³	69	73
SOx	Mg/Nm ³	3	2
Particulate matter (PM)	Mg/Nm ³	13	23
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify in the remark section			

Note: Indicate if any independent assessment/evaluation/assurance for Air emissions has been conducted by an external agency. If Yes, provide the name of the agency? NA

Footnote: Data pertains to Sona Comstar’s Gurugram plant Location.

EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2) in MTCO₂e, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
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)	TCO ₂ e	5,174	3,845
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)	TCO ₂ e	59,485	54,472
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	TCO ₂ e / rupee of turnover	1.8235 TCO ₂ e / Million	1.8311 TCO ₂ e / Million
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*	TCO ₂ e / rupee of turnover	37.6725 TCO ₂ e / Million	41.8962 TCO ₂ e / Million
Total Scope 1 and Scope 2 emission intensity in terms of physical output#	TCO ₂ e / rupee of turnover	0.0014 TCO ₂ e / Total sales quantity	0.0014 TCO ₂ e / Total sales quantity

Note: Indicate if any independent assessment/evaluation/assurance for GHG Emissions (Scope 1 and 2) has been conducted by an external agency. If Yes, provide the name of the agency.

Yes. Grant Thornton Bharat LLP

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the world bank for India which is 20.66.

#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.

EI-8. Does the entity have any project related to reducing Green House Gas emission? 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 kW in 2021-22 to 1,975 kW in 2022-23 to 2,934.5 kW in 2023-24 to 3924.25 kW in 2024-25 ; the percentage of green energy increased from 3.95% in FY 2024 to 4.58% in FY2025 to for Driveline Division.

EI-9 Provide details related to waste management by the entity for the Current Financial Year:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	97.13	98
E-waste(B)	0.67	0.56
Bio-medical waste (C)	0.01	0.02
Construction and demolition waste (D)	0	0
Battery waste (E)	5.50	0.54
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	762.92	682
Other Non-hazardous waste generated (H). Please specify, if any.	20,623.74	18,769
Total (A + B + C + D + E + F + G + H)	21,490	19,550
Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	0.6060 MT / Million	0.6139 MT / Million
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)*	12.5206 MT / Million	14.0452 MT / Million
Waste intensity in terms of physical output#	0.0005 MT / Total sales quantity	0.0005 MT / Total sales quantity

Parameter	FY 2024-25	FY 2023-24
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	20,798.74	18,887
(ii) Re-used	6.18	31
(iii) Other recovery operations	0	0
Total	20,805	18,918
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration/Preprocessing	590	448
(ii) Landfilling	95	184
(iii) Other disposal operations	0	0
Total	685	632

Note: Indicate if any independent assessment/evaluation/assurance for Waste has been conducted by an external agency. If Yes, provide the name of the agency:

Yes. Grant Thornton Bharat LLP

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the world bank for India which is 20.66.

#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.

EI-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 ensures the recycling of both hazardous and non-hazardous waste products through authorised recyclers. Additionally, all pertinent plant locations are equipped with Wastewater Treatment Plants (WWTP), which integrate Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP). By implementing the principles of Reduce, Reuse, and Recycle, we have successfully enhanced water efficiency in the Driveline Division.

EI-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? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	None of Sona Comstar facilities are in or around ecologically sensitive zone.		

EI-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

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

EI-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 (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	None			

Leadership Indicators

LI-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:

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

Parameter	Current FY 2024-25	Previous FY 2023-24
Water withdrawal by source (in kilo litres)		
(i) Surface Water	-	-
(ii) Ground Water	-	-
(iii) Third Party Water	-	-
(iv) Seawater/ Desalinated Water	-	-
(v) Other	-	-
Total volume of water withdrawal	-	-
Total volume of water consumption	-	-
Water intensity per rupee of turnover		
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	-	-
- 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- KI)	-	-

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

LI-2. Please provide details of total Scope 3 emissions (MTCO2E) & its intensity, in the following format:

Parameter	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-
Total Scope 3 emissions per rupee of turnover	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-

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

LI-3. With respect to the ecologically sensitive areas reported at EI-11 above, provide details of the significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable

LI-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:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Eliminating Idle Equipment Usage	Interlocking systems are introduced to prevent the unnecessary running of equipment and accessories, ensuring energy is utilised only when required.	Savings: 3,85,860 kwh/year
2	Smart Air Compression Systems	The adoption of variable frequency drive (VFD)-based air compressors allows for optimised performance, adjusting to demand rather than running at a constant load.	Savings: 2,19,730 kwh/year
3	Transitioning Fixed Loads to Variable Loads	A dedicated initiative has begun to convert fixed loads to dynamic loads that adjust based on production requirements such as temperature-feedback-controlled pump house operations.	Savings: 36,500 kwh/year
4	Optimisation of Induction Heating	Induction heaters were fine-tuned for efficiency, ensuring precise energy utilisation and reducing waste in heating processes.	Savings: 18,250 kwh/year
5	Leakage Identification & Air Compression Efficiency	A company-wide drive was launched to detect and eliminate compressed air leakages, significantly improving the overall efficiency of air compressors.	Savings: 25,550 kwh/year
6	Industry 4.0 Implementation in Furnace Operations	Advanced Industry 4.0 methodology has been incorporated to monitor furnace heater performance in real time, enabling data-driven adjustments for enhanced energy efficiency.	Savings: 1,27,750 kwh/year
7	Hydraulic Pressure Optimisation	Fine-tuning hydraulic pressure settings in equipment has led to notable reductions in electrical and water consumption while maintaining performance standards.	Savings: 12,775 kwh/year
8	Waste Heat Recovery Initiatives	Harnessing flue gas waste heat from furnaces is now being leveraged to preheat water used in washing processes, maximising energy utilisation.	Savings: 43,800 kwh/year
9	Installation of Variable frequency drive in 650cfm Air compressor	Installation of Variable frequency drive in Air compressor by which the Energy loss due to demand fluctuation is addressed	Savings: 21,000 kwh/year
10	Replacement of Conventional shopfloor man cooler with Energy efficient HVLS fans	Conventional shopfloor man cooler fans were removed & replaced with Energy efficient HVLS fans. Capacity reduction: 4.6 kW	Savings: 16,200 kwh/year
11	Installation of Centralised controller for Cassette ACs	Installation of Centralised controller for Cassette ACs (iTouch) to control the operating time, temperature, and idle running	Estimated Saving: 8,500 kwh/year
12	Replacement of old motors with IE3 efficiency class motors	Old IE3 motor were removed & replaced with IE3 efficiency class motors (7.4kW) and carried out capacity reduction projects (from 18.5kW to 11kW)	Savings: 17,400 kwh/year
13	Installation of energy efficient VRC Acs in the New Building	Installation of energy efficient VRC Acs in the New building. Capacity: 60TR	Saving opportunity: 20% energy when compared to conventional ACs

LI-5. Does the entity have a business continuity and disaster management plan? If yes, please give details in 100 words or input web link. - Yes, 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.

LI-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.

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

LI-8. How many Green Credits have been generated or procured?

Not Available

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

EI-1.a. Number of affiliations with trade and industry chambers/ associations. - 6

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

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National/International)
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 (GCCII)	State
6	Employers Federation of Southern India (EFSI)	State

EI-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.

S. No.	Name of authority	Brief of the case	Corrective action taken
There are no instances of anti-competitive behaviour 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

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link, if available
Nil					

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

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

EI-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 of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In INR)
-	-	-	-	-	-	-

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

The Company implements most of its Corporate Social Responsibility (CSR) initiatives through implementing agencies and conducts annual third-party Impact Assessments (IA) for all projects. These assessments involve engaging with communities and beneficiaries to evaluate project impacts and address grievances. For projects managed directly by the Company, employees collaborate with the communities, and so far, no specific grievances have been reported.

El-4. Input material sourced from suppliers (by value):

Category	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	34%	35%
Sourced directly from within India	80%	85%

El-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 total wage cost. (Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	FY 2024-25	FY 2023-24
Rural	-	-
Semi-urban	3.8%	4%
Urban	96.2%	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

LI-1. If any Social Impact Assessments have been reported in El-1, please provide details of actions taken to mitigate any negative social impacts identified:

S. No.	Details of negative social impact identified	Corrective action taken
	Not applicable	

LI-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)
	Presently the Company is not undertaking any projects in the Aspirational Districts.		

LI-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

LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1		Not applicable		

LI-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.

S. No.	Name of authority	Brief of the Case	Corrective action taken
1		Not applicable	

LI-6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Contribution to Centre for Innovation Incubation and Entrepreneurship Building (CIIE Initiatives, IIM-A)	Community at large	
2	Construction and Maintenance of infrastructure built in the Governmen Higher Secondary School in Tamil Nadu	5570 students	100%
3	Sona-Comstar – IIT-Delhi Innovation in Mobility Program- Incubators-FY 25	Community at large	
4	Sona Comstar Scholarship with Ashoka University for Ashoka University Scholars	15 women students	100%
5	Sona Comstar Tata Strive Skill Development Centre in Chennai	243 students trained in Centre and 25 students enrolled in hostel	100%
6	Plantation and maintenance of Miyawaki Dense Forest of multi species plants under the “Go Green Initiative” at Manesar-with Catch Foundation”	Community at large	
7	Digital literacy centres in Manesar and Gurgaon and Life Skill Program in Gurgaon with Youthreach	221 students certified in Digital Literacy Centre	100%
8	Student Scholarship Support Program- ISKCON	36 students	100%

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

EI-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 primarily to large OEMs. Sona Comstar ensures on-time, full delivery to all its customers based on the schedules shared by them. In case of any complaints, customers can raise the issue with the company’s representative or send their complaints via email to the company for addressing the grievance/concern.

EI-2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	
Recycling and/or safe disposal	

EI-3. Number of consumer complaints in respect of the following:

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

EI-4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

EI-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. –

Yes. Sona Comstar follows the ISO 27001:2022 framework and is certified for IT services. An Information Security Policy has been implemented to provide support, management direction, and to document how information security is managed across the organisation. The policy outlines the measures through which the company ensures the secure and reliable flow of information, both internally and externally. It establishes the principles and overarching framework for information security, and references supporting policies and guidelines that address specific aspects of security. The adopted approach is based on the international standard ISO 27001:2022 – the Code of Practice for Information Security Management. Sona Comstar achieved ISO 27001:2022 certification in 2024.

EI-6. Provide details of any corrective actions taken or underway on issues relating to any of the following:

- i. **Advertising** – Nil
- ii. **Delivery of essential services** – Nil
- iii. **Cyber security and data privacy of customers** – Nil
- iv. **Re-occurrence of instances of product recalls** – Nil
- v. **penalty / action taken by regulatory authorities on safety of products / services.** – Nil

EI-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

LI-1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available). –

All information is accessible on the company’s website: <https://sonacomstar.com/> SONA LinkedIn page also offers information and regular updates about the products and services.

LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

- Sona Comstar is a B2B company that predominantly sells its products to large OEMs. When entering into business with its customers, Sona Comstar declares compliance with REACH and IMDS standards. Additionally, it conducts business validation compliance as part of the product development process, providing customers with assurance regarding product composition and safety. Furthermore, to ensure safe shipping, the dimensions and weight of the packaging are mutually agreed upon and signed off by Sona Comstar and the customer in accordance with global standards.

LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services –

Not applicable

LI-4. a. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) –

- a. Yes, 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.

Independent Practitioner’s reasonable assurance report on Identified Sustainability Information in Business Responsibility and Sustainability Report (BRSR) of Sona BLW Precision Forgings Limited and its subsidiaries

**To the Board of Directors of Sona BLW Precision Forgings Ltd
Gurugram, Haryana, India**

1. We have been engaged to perform a reasonable assurance engagement for Sona BLW Precision Forgings Limited (‘the Holding Company’) and its subsidiaries as listed in paragraph 3 below (the Holding Company and its subsidiaries together referred to as the ‘the Group’) vide our engagement letter dated 26 May 2025, in respect of the agreed sustainability information listed below (the “Identified Sustainability Information”) in accordance with the criteria stated below. This Identified Sustainability Information is included in the Business Responsibility and Sustainability Report (BRSR) of the Group for the financial year ended 31 March 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and engineers.

Identified Sustainability Information

2. The Identified Sustainability Information for the financial year ended 31 March 2025 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	☐ Total energy consumption (in Joules or multiples) ☐ % of energy consumed from renewable sources ☐ Energy intensity
Water footprint	Principle 6 – 3	☐ Total water consumption ☐ Water consumption intensity
	Principle 6 – 4	Water Discharge by destination and levels of Treatment

Attribute	Principle	Key Performance Indicator
Greenhouse (GHG) footprint	Principle 6 – 7	Greenhouse gas emissions (Scope 1 and Scope 2 emissions) GHG Emission Intensity (Scope 1 + 2)
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	Details related to waste generated by the entity (category wise) Waste intensity Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
	Principle 3 – 11	Details of safety related incidents: Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) Total recordable work-related injuries No. of fatalities High consequence work-related injury or ill-health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Enabling Inclusive Development	Principle 8 – 4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events

Attribute	Principle	Key Performance Indicator
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties

3. Boundary of the report covers Group’s operations in India and overseas, which includes the following sites selected for data review and verification:

S.No.	Name of the holding/subsidiary companies	Indicate whether Holding/ Subsidiary
1	SONA BLW Precision Forgings Limited	Holding Company
2	Comstar Automotive Technology Services Private Limited	Subsidiary
3	Comstar Automotive USA LLC.	Subsidiary
4	Comstar Automotive Hongkong Limited	Subsidiary
5	Comestel Automotive Technologies Mexicana Limited	Subsidiary
6	Comstar Automotive (Hangzhou) Co. Ltd.	Subsidiary
7	Comstar Hong Kong Mexico No1 LLC	Subsidiary
8	Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	Subsidiary
9	Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V.	Subsidiary
10	Sona Comstar eDrive Private Limited	Subsidiary
11	Sona BLW Edrive Mexicana, S.A.P.I. De C.V.	Subsidiary
12	NOVELIC d.o.o. Beograd – Zvezdara	Subsidiary
13	NOVELIC SRL	Subsidiary
14	NOVELIC ESC DOOEL Skopje	Subsidiary
15	Nirsen d.o.o. Beograd-Zvezdara	Subsidiary
16	Novelic GmbH	Subsidiary

4. Our reasonable assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned above for the financial year ended 31 March 2025 only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any opinion thereon.

Criteria

5. The criteria used by the Holding Company to prepare the Identified Sustainability Information is summarised below (hereinafter referred to as ‘Criteria’):

- Regulation 34(2)(f) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR Regulations’) as amended, read with SEBI Master circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024 and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dated 28 March 2025; and

- b. SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20 December 2024 read with BRSR Core Reporting Standard formulated by Industry Standards Forum.

Management's Responsibilities

6. The Holding Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

7. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Practitioner's Independence and Quality Control

8. We have complied with the independence and other ethical requirements of International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ('IESBA'), which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality and professional behaviour.
9. Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

10. Our responsibility is to express a reasonable assurance in the form of an opinion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria.
11. A reasonable assurance engagement involves assessing the suitability in the circumstances of the Holding Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.
12. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.
13. Given the circumstances of the engagement, in performing the procedures listed above, we:
- Performed walkthrough and discussion with individual data owners for understanding business processes and data management processes at manufacturing facilities at Gurgaon and Manesar in Haryana
 - Visited the corporate office at Gurugram for data and document verification;

- Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
- Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Group to support relevant performance disclosures within our scope.
- Evaluated the suitability and application of the Criteria and that the Criteria have been applied appropriately to the subject matter.
- Selected key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
- Re-performed calculations to check accuracy of claims,
- Reviewed data from independent sources, wherever available,
- Reviewed data, information about sustainability performance indicators and statements in the report.
- Reviewed and verified information/ data as per the Criteria;
- Reviewed accuracy, transparency and completeness of the information/ data provided;

14. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Exclusions

15. Our reasonable assurance engagement scope excludes the following and therefore we do not express an opinion on the same:
- Aspects of the BRSR and data/information (qualitative or quantitative) other than the Identified Sustainability Information
 - Operations of the Group other than those mentioned in Identified Sustainability Information section above
 - Data and information outside the defined reporting period
 - Data related to Group's financial performance, strategy and other related linkages expressed in Identified Sustainability Information.
 - The Group's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Group and assertions related to Intellectual Property Rights and other competitive issues.
 - Mapping of the Identified Sustainability Information with reporting frameworks other than those mentioned in Criteria above.
 - While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
 - The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Opinion

16. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information included in the BRSR for the financial year ended 31 March 2025, is prepared in all material respects, in accordance with the Criteria.

Annexture to the Reasonable Assurance Report on BRSR Core

PRINCIPLE 1

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

Particulars	Current Financial Year	Previous Financial Year
Number of days of accounts payables	56.59	57.96

Note: Numbers updated as per guidelines.

El-9. Open-ness 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	FY2024-25	FY2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

Remarks: On a consolidated basis after elimination of intercompany transactions within the group.

PRINCIPLE 3

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

Particulars	Current Financial Year	Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the company	0.23%	0.22%

Remarks: Data pertains to only Driveline and Motor division.

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

Safety Incident/Number	Category	FY2024-25	FY2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.34
	Workers	0.00	0.00
Total recordable work-related injuries	Employees	0	1
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Number of Permanent Disabilities	Employees	0	0
	Workers	0	0

Other Matter

17. The information pertaining to the financial year ended 31 March 2024, included as comparative information in the Identified Sustainability Information, has been certified by the management and was not subjected to either limited/reasonable assurance engagement.

Our opinion is not modified with respect to this matter.

Restriction on use

18. Our reasonable assurance report has been prepared and addressed to the Board of Directors of the Holding Company at the request of the Holding Company solely, to assist the Group in reporting on the Group's sustainability performance and activities. Accordingly, this report may not be suitable for any other purpose and should not be used by any other party other than the Board of Directors of the Holding Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

Grant Thornton Bharat LLP

Abhishek Tripathi

Partner

Dated: 24th June 2025

Place: Grant Thornton Bharat LLP

Plot No. 19A, 2nd Floor, Sector – 16A,

Noida - 201301,

Uttar Pradesh, India

PRINCIPLE 5

EI-3. b. Provide information on Gross wages paid to females by the entity, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages*	4.01%**	3.98%**

Note: Doesn't include ESOP perquisite value.

*India Specific data

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

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

Particulars	Current Financial Year	Previous Financial Year
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	0.00%	0.00%
Complaints on POSH upheld	0	0

Remarks: The data pertains to locations in India only.

PRINCIPLE 6

EI-1. Details of total energy consumption in Gigajoules (GJ), in the following format:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)-Solar	13,639	6,985
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	13,639	6,985
From non-renewable sources		
Total electricity consumption (D)-Grid	295,130	274,345
Total fuel consumption (E)	83,923	76,827
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	379,053	351,172
Total energy consumed (A+B+C+D+E+F)	392,692	358,157
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	11.07 GJ / Million	11.25 GJ / Million
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)*	228.79 GJ / Million	257.31 GJ / Million
Energy intensity in terms of physical output#	0.01 GJ / Total sales quantity	0.01 GJ / Total sales quantity

Remarks:

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the world bank for India which is 20.66.

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.

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

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	26,134	0
(iii) Third party water	121,984	130,342
(iv) Seawater / desalinated water	0	0
(v) Others	522	390
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	148,640	130,732
Total volume of water consumption (in kilolitres)	148,640	130,732
Water intensity per rupee of turnover (Water consumed / turnover)	4.19 KL / Million	4.10 KL / Million
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)*	86.60 KL / Million	93.92 KL / Million
Water intensity in terms of physical output#	0.003 KL / Total sales quantity	0.003 KL / Total sales quantity

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the world bank for India which is 20.66

#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.

EI-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

Parameter	FY2024-25	FY2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment	Not Applicable	
With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
With treatment – please specify level of treatment		
(v) Others		
- No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2) in MTCO₂e, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
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)	TCO ₂ e	5,174	3,845
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)	TCO ₂ e	59,485	54,472
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	TCO ₂ e / rupee of turnover	1.8235 TCO ₂ e / Million	1.8311 TCO ₂ e / Million
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*	TCO ₂ e / rupee of turnover	37.6725 TCO ₂ e / Million	41.8962 TCO ₂ e / Million
Total Scope 1 and Scope 2 emission intensity in terms of physical output [#]	TCO ₂ e / rupee of turnover	0.0014 TCO ₂ e / Total sales quantity	0.0014 TCO ₂ e / Total sales quantity

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the world bank for India which is 20.66.

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.

EI-9 Provide details related to waste management by the entity for the Current Financial Year:

Parameter	FY2024-25	FY2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	97.13	98
E-waste(B)	0.67	0.56
Bio-medical waste (C)	0.01	0.02
Construction and demolition waste (D)	0	0
Battery waste (E)	5.50	0.54
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	762.92	682.00
Other Non-hazardous waste generated (H). Please specify, if any.	20,623.74	18,769.00
Total (A + B + C + D + E + F + G + H)	21,490	19,550
Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	0.6060 MT / Million	0.6139 MT / Million
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)*	12.5206 MT / Million	14.0452 MT / Million
Waste intensity in terms of physical output[#]	0.0005 MT / Total sales quantity	0.0005 MT / Total sales quantity
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	20,799	18,887
(ii) Re-used	6.18	31
(iii) Other recovery operations	0	0
Total	20,805	18,918
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration/Preprocessing	590	448
(ii) Landfilling	95	184
(iii) Other disposal operations	0	0
Total	685	632

Remarks: Incineration includes preprocessing of 378.25 MT

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the world bank for India which is 20.66

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.

PRINCIPLE 8

EI-4. Input material sourced from suppliers (by value):

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	34%	35%
Sourced directly from within India	80%	85%

EI-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 total wage cost. (Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	Current Financial Year	Previous Financial Year
Rural	-	-
Semi-urban	3.8%	4%
Urban	96.2%	96%
Metropolitan	-	-

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

PRINCIPLE 9

EI-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

Annexure- J

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 ended 31st March, 2025.

For, **Sona BLW Precision Forgings Limited**

Vivek Vikram Singh

Managing Director & Group CEO

DIN: 07698495

Date: April, 30, 2025

Place: Gurgaon

Annexure – K

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 PIT Regulations)** and other applicable laws and regulations.

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.

The Company keeps reviewing these policies from time to time and update them in accordance with the statutory and regulatory requirements and as per the Industry's best Corporate Governance practises.

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

S No.	Name of the Policy	Website Link
1.	Risk Management Policy	https://sonacomstar.com/files/policy/risk-management-policy-policy-NTCFLh.pdf
2.	Policy on Preservation of Documents	https://sonacomstar.com/files/policy/policy-on-prevention-of-documents-policy-tPw29X.pdf
3.	Familiarisation Programme	https://sonacomstar.com/files/policy/familiarisation-programme-policy-OzjWbw.pdf
4.	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
5.	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
6.	Cookie Policy	https://sonacomstar.com/files/policy/cookie-policy-policy-7F83Ag.pdf
7.	Privacy Notice	https://sonacomstar.com/files/policy/Privacy_Notice.pdf
8.	Prevention of Sexual Harassment Policy	https://sonacomstar.com/files/policy/posh-policy-policy-s7HMW2.pdf
9.	Code of Conduct for Prohibition of Insider Trading	https://sonacomstar.com/files/policy/code-of-conduct-for-prevention-of-insider-trading-policy-x046Ln.pdf
10.	Corporate Social Responsibility Policy	https://sonacomstar.com/files/policy/corporate-social-responsibility-policy-policy-K6JBXy.pdf
11.	Whistle Blower Policy	https://sonacomstar.com/files/policy/whistle-blower-policy-policy-MUwqe2.pdf
12.	Succession Planning Policy	https://sonacomstar.com/files/policy/succession-planning-policy-policy-SYOpD5.pdf
13.	Policy on Related Party Transactions	https://sonacomstar.com/files/policy/policy-on-related-party-transactions-policy-AIIHMo.pdf

S No.	Name of the Policy	Website Link
14.	Policy on Board Diversity	https://sonacomstar.com/files/policy/policy-on-board-diversity-policy-sKCWRQ.pdf
15.	Policy for determining Material Subsidiaries	https://sonacomstar.com/files/policy/policy-for-determining-material-subsidiaries-policy-f3dEtf.pdf
16.	Policy for determining Materiality	https://sonacomstar.com/files/policy/policy-for-determining-materiality-policy-x9GHRZ.pdf
17.	Nomination and Remuneration Policy	https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-DqCLrU.pdf
18.	Fair Disclosure of Unpublished Price Sensitive Information	https://sonacomstar.com/files/policy/fair-disclosure-of-upsi-policy-yzFKhp.pdf
19.	Dividend Distribution Policy	https://sonacomstar.com/files/policy/dividend-distribution-policy-policy-oW38wX.pdf
20.	Code of Conduct Board and Senior Management	https://sonacomstar.com/files/policy/code-of-conduct-board-and-senior-management-policy-DISxoZ.pdf
21.	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
22.	Archival Policy	https://sonacomstar.com/files/policy/archival-policy-policy-d5uF7K.pdf

B. Policies as part of Governance & Ethical Compliance Framework:

S No.	Name of the Policy	Website Link
1.	Code of Conduct and Business Ethics	https://sonacomstar.com/files/policy/code-of-conduct-and-business-ethics-policy-yEZCTh.pdf
2.	Code of conduct for Vendors/ Suppliers	https://sonacomstar.com/files/policy/code-of-conduct-for-vendor-policy-lFuILR.pdf
3.	Anti-Bribery and Corruption Compliance Policy	https://sonacomstar.com/files/policy/anti-bribery-and-corruption-policy-policy-8i68Y7.pdf
4.	Investor Grievance Redressal Policy	https://sonacomstar.com/files/policy/investor-grievance-redressal-policy-policy-hCONqg.pdf
5.	Shareholder's Manual	https://sonacomstar.com/files/shareholders_manual.pdf
6.	Link of Online Dispute Resolution	https://sonacomstar.com/investor-relations
7.	Responsibilities and Duties of Board of Directors	https://sonacomstar.com/files/policy/responsibilities-and-duties-of-board-of-directors-policy-Adosl4.pdf
8.	Enterprise Risk Management -Framework	https://sonacomstar.com/files/policy/erm-framework-policy-CZEnft.pdf
9.	Management Policy on Quality, Environment, Occupational health and safety	https://sonacomstar.com/files/policy/quality-environment-occupational-health-and-safety-policy-policy-uCJqYJ.pdf
10.	Tax Policy	https://sonacomstar.com/files/policy/tax-policy-policy-ttSq8c.pdf
11.	Fair work practice guidelines	https://sonacomstar.com/files/policy/fair-work-practice-guidelines-policy-aetlfx.pdf
12.	Terms of Reference of the Committees of the Board	https://sonacomstar.com/files/policy/terms-of-reference-of-the-committees-policy-iAA7NT.pdf
13.	Procedure prescribed for filing of complaint under POSH	https://sonacomstar.com/files/policy/procedure-prescribed-for-filing-of-complaint-under-posh-policy-W29f5C.pdf

C. Changes made in the Policies during the year

During the financial year under review, the Company has amended the following policies/codes in accordance with the requirements of the applicable laws and Regulations, the gist of the changes made in the policies 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.	Policy on Preservation of Documents	This policy was formulated with an intent to provide clarity about the preservation of documents as required under applicable laws.	The list of documents which are required to be maintained for at least 8 (eight) years after completion of the relevant transactions have been updated to include audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls..
2.	Policy for determining Material Subsidiaries	The policy has been adopted with an intent to determine the Material Subsidiaries of the Company.	- The definition of Material Subsidiary is amended to align with the Companies Act, 2013. - A new clause has been added with respect to undertaking of Secretarial Audit by Material Unlisted Subsidiaries from a peer reviewed Secretarial Auditor. - A new provision has been inserted with respect to requirement of prior approval of shareholders in case of sale, dispose and lease of assets amounting to more than 20% of the wholly owned subsidiaries.

S. No.	Name of the Policy	Description of the Policy	Summary of key changes made to the Policies during the Financial Year
3.	Policy on Related Party Transactions	It is a policy which has been framed with an intent to regulate all Related Party Transactions in the Company.	- As per the amendments to the SEBI (LODR) Regulations, 2015, exemption has been provided from prior approval of the Audit Committee for remuneration and sitting fees paid by the Company to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee. - New clauses have been added to the exempted transactions which do not require prior approval of the audit committee., which relates to payment of statutory dues. - A detailed process with respect to ratification of RPT is included in the Policy.
4.	Policy for Determining Materiality	This policy is articulated with a view to determine the materiality based on the criteria mentioned in the Listing Regulation (“Material Information”), such that the required information can be promptly disclosed to the stock exchanges.	- The definition of “Normal trading hours” has been inserted. - A clause has been added specifying the disclosure of decision made in the Board meeting ended post closure of normal trading hour. - A new proviso has been inserted related to relevant information regarding claims against the Company. - A new proviso added to the explanation of acquisition with respect to an unlisted company. - Provision related to change in the disclosure requirement related to outcome of the meeting has been added. - A new explanation point has been added pertaining to fraud/default by senior management, other than who is promoter, director or Key Managerial Personnel. - Timelines for disclosure of audio, video recordings and transcripts has been added. - A clarification has been added specifying what shall constitute a Forensic Audit. - A new Explanation point added with respect to disclosure of imposition of fine or penalty.
5.	Code of Conduct for Prohibition of Insider Trading	The Code is adopted to regulate, monitor and report trading by designated persons and Insiders and thereby putting in place a framework for prohibition of insider trading.	- The existing definition of Connected Persons has been amended in accordance with the amendment in the SEBI (PIT)Regulations, 2015. - The definition of Relative has been amended in accordance with the changes the SEBI (PIT)Regulations, 2015.
6.	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 definition of Senior Management Personnel (SMP) has been amended. - Remuneration clause for non-executive directors changed as per the requirement.

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 March, 31, 2025 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
DIN: 07698495

Date: April, 30, 2025
Place: Gurgaon

Independent Auditor’s Report

To the Members of Sona BLW Precision Forgings Limited

Report on the Audit of the Standalone Financial Statements

OPINION

- 1. We have audited the accompanying standalone financial statements of Sona BLW Precision Forgings Limited (‘the Company’), which comprise the Standalone Balance Sheet as at 31st March 2025 the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone 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.
- 2. 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 2025, 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

- 3. 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 standalone 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

- 4. Key audit matters are those matters that, in our professional judgment, 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 standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- 5. 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
Impairment of goodwill and brands having indefinite useful life (together ‘intangibles’)	Our audit procedures included, but were not limited to the following:
As detailed in Note 46 to the standalone financial statements, the Company carries goodwill amounting to INR 1,582.24 million and brands amounting to INR 687.40 million in its standalone balance sheet as at 31 st March 2025.	a) Obtained an understanding from the management with respect to its impairment assessment process, assumptions used and estimates made by the management;
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 7 th January 2022 post which the Company and its wholly owned subsidiary Comstar Automotive Technologies Private Limited were merged.	b) Evaluated the design and tested the operating effectiveness of controls related to aforementioned process of impairment testing;
The brands were recognised pursuant to Company acquiring SONA Intellectual property rights and all intellectual property rights thereto from SONA Management Services Limited.	c) 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;
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.	d) 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;
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’).	e) 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;

Key audit matters	How our audit addressed the key audit matter
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.	f) 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;
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 31 st March 2025.	g) Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates and
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.	h) Assessed the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements in accordance with the accounting standards.
Impairment assessment of investment in a subsidiary company.	Our audit procedures included, but were not limited to, the following:
As described in Note 46 to the standalone financial statements, the Company has completed the acquisition of 54% share capital and voting rights in Novelic d.o.o. Beograd on 6 th September 2023, as per terms of the definitive documents executed in this regard.	a) Obtained an understanding from the management with respect to its impairment assessment process, assumptions used and estimates made by management.
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.	b) Evaluated the design and tested the operating effectiveness of controls related to aforementioned annual impairment.
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.	c) Obtained the impairment analysis carried out by the management and tested its mathematical accuracy.
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 31 st March 2025.	d) 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;
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.	e) 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;
	f) 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;
	g) Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates;
	h) 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
STANDALONE FINANCIAL STATEMENTS AND
AUDITOR'S REPORT THEREON

6. 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

7. 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 judgments 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.

8. In preparing the standalone 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 standalone 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 standalone 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 judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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:
 - 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;
 - 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), 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
 - The standalone financial statements dealt with by this report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
 - 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 2025 from being appointed as a director in terms of Section 164(2) of the Act;
 - The modification relating to the maintenance of accounts and other matters connected therewith are as stated, 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 2025 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 2025;

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 2025;

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 2025;

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 2025 and until the date of this audit report is in compliance with Section 123 of the Act. The final dividend paid by the Company during the year ended 31st March 2025 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 34 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31st March 2025 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 1st April 2024, 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. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm’s Registration No.: 001076N/N500013

Arun Tandon

Partner

Membership No.: 517273

UDIN: 25517273BMICZR6458

Place: New Delhi

Date: 30th April 2025

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 standalone financial statements for the year ended 31st March 2025

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, 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 millions and INR 13.20 millions as at 31st March 2025, 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 adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (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)

The Company has not provided any security or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in, provided guarantee to companies and granted unsecured loans to other parties during the year, in respect of which:

(a)

The Company has provided loans, or guarantee to subsidiaries/ others during the year as per details given below:

(INR in millions)		
Particulars	Guarantees	Loans
Aggregate amount provided/ granted during the year (INR):		
- Subsidiaries	667.76	-
- Others (Employees)	-	11.46
Balance outstanding as at balance sheet date (INR):		
- Subsidiaries	710.26	-
- Others (Employees)	-	11.87
- (b)

In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided any security, advance in nature of loans.
- (c)

In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal are 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 LLPs.
- (e)

The Company has not granted any loan or advance 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 loan or advance in the nature of loan, 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).

- (b)

According to the information and explanations given to us, we report that 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:

Name of the statute	Nature of dues	Gross Amount (INR million)	Amount paid under Protest (INR 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	2.98	-	Assessment Year (AY) 2016-17	Transfer pricing officer
Income Tax Act, 1961	Income Tax Demand	97.66	14.17	Assessment Year (AY) 2017-18	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax Demand	8.07	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)

- (viii)

According to the information and explanations given to us, we report that 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)

In our opinion and 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.

- 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 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 including confirmations received from banks 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
- 246
- Sona Comstar Annual Report 2024-25
- 247

- 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)

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, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f)

In our opinion and 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)

During the year, the Company has made private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of Section 42 and Section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised were used for the purposes for which the funds were raised, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(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 including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(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)

In our opinion and 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)

In our opinion and 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(xx) 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 ChandioK & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013
- Arun Tandon**
Partner
Membership No.: 517273
UDIN: 25517273BMICZR6458
- Place: New Delhi
Date: 30th April 2025
- 248

Sona Comstar Annual Report 2024-25
- 249

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 2025 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 (‘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

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 Institute of Chartered Accountants of India (‘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 2025 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 Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Arun Tandon
Partner
Membership No.: 517273
UDIN: 25517273BMICZR6458

Place: New Delhi
Date: 30th April 2025

Standalone Balance Sheet

as at 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Note No.	As at 31 st March 2025	As at 31 st March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,040.09	8,986.92
Right-of-use assets	3	2,037.75	2,169.94
Capital work-in-progress	3	1,073.57	945.23
Goodwill	4	1,582.24	1,582.24
Other intangible assets	4	2,916.25	3,232.88
Intangible assets under development	4	627.11	453.29
Financial assets			
(i) Investments	5	5,587.43	5,141.50
(ii) Other financial assets	6	497.77	88.63
Income tax assets (net)	7	26.16	254.55
Other non-current assets	8	688.35	953.29
Total non-current assets		26,076.72	23,808.47
Current assets			
Inventories	9	3,076.51	3,115.91
Financial assets			
(i) Investments	5	7,839.15	271.15
(ii) Trade receivables	10	6,281.64	5,821.36
(iii) Cash and cash equivalents	11	9,586.93	246.01
(iv) Bank balances other than (iii) above	12	2,525.69	1,731.84
(v) Other financial assets	6	5,096.69	24.83
Other current assets	8	1,056.93	833.31
Total current assets		35,463.54	12,044.41
Total assets		61,540.26	35,852.88
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13(A)	6,217.18	5,864.48
Other equity	14	47,734.10	19,875.84
Total equity		53,951.28	25,740.32
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15 (i)	-	292.05
(ii) Lease liabilities	43	1,435.82	1,496.06
(iii) Other financial liabilities	16	2.24	688.59
Provisions	17	251.82	247.69
Deferred tax liabilities (net)	18	728.12	710.25
Total non-current liabilities		2,418.00	3,434.64
Current liabilities			
Financial liabilities			
(i) Borrowings	15 (ii)	-	2,038.54
(ii) Lease liabilities	43	60.56	51.45
(iii) Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		453.28	519.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,481.44	2,174.60
(iv) Other financial liabilities	16	1,680.09	1,438.96
Other current liabilities	20	344.51	293.02
Provisions	17	88.86	72.23
Current tax liabilities (net)	21	62.24	89.26
Total current liabilities		5,170.98	6,677.92
Total liabilities		7,588.98	10,112.56
Total equity and liabilities		61,540.26	35,852.88
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 ChandioK & 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
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

Standalone Statement of Profit and Loss

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Note No.	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Income			
Revenue from operations	22	32,262.98	28,918.26
Foreign exchange gain (net)		65.00	12.83
Other income	23	1,407.78	401.71
Total income		33,735.76	29,332.80
Expenses			
Cost of materials consumed	24 (a)	13,878.60	12,663.62
Changes in inventories of finished goods and work-in-progress	24 (b)	186.11	(367.10)
Employee benefits expense	25	2,453.26	2,111.54
Finance costs	26	279.08	253.87
Depreciation and amortisation expense	27	2,326.61	2,025.87
Other expenses	28	6,704.08	6,265.72
Total expenses		25,827.74	22,953.52
Profit before exceptional items and tax		7,908.02	6,379.28
Exceptional item	29	192.85	87.16
Profit before tax		7,715.17	6,292.12
Tax expense	30		
- Current tax		1,885.95	1,452.51
- Tax related to previous years		(7.62)	(28.68)
- Deferred tax charge		39.96	23.49
Total tax expense		1,918.29	1,447.32
Profit for the year		5,796.88	4,844.80
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements (losses)/gains on defined benefit plans		(11.18)	(23.18)
Income tax relating to above mentioned items		2.82	5.84
<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 (refer note 48)		19.29	11.75
Income tax relating to above mentioned items		(4.85)	(2.96)
Other comprehensive income/(loss) for the year		6.08	(8.55)
Total comprehensive income for the year		5,802.96	4,836.25
Earnings per equity share of face value of INR 10 each			
Earnings per share (Basic) (in INR)	37	9.57	8.27
Earnings per share (Diluted) (in INR)	37	9.57	8.27
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 ChandioK & 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
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

Standalone Cash Flow Statement

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
A. Cash flows from operating activities		
Profit before income tax	7,715.16	6,292.12
<i>Adjustments for:</i>		
Depreciation and amortisation expense	2,326.61	2,025.87
Loss on sale of property plant and equipment (net)	1.30	2.00
(Reversal)/Allowance for doubtful receivables	-	(46.19)
Share-based payments	287.64	158.57
Unwinding of discount on fair valuation of security deposits	(1.52)	(1.35)
Provision for slow moving inventory	21.82	6.24
Fair value loss/(gain) on derivatives	25.63	(11.68)
Profit on sale of investments	(405.95)	-
Dividend income	(198.24)	(203.88)
Provision for warranty	26.90	45.14
Unwinding of discount on deferred payment liabilities	33.45	27.74
Finance costs	240.64	250.77
Interest income	(788.25)	(196.43)
Unrealised foreign exchange loss/(gain) (net)	17.17	6.05
Operating profit before working capital changes	9,302.36	8,354.97
Changes in working capital		
Movement in inventories	17.59	(438.49)
Movement in trade receivables	(459.75)	74.50
Movement in financial assets	13.97	(25.16)
Movement in other assets	(172.02)	(706.96)
Movement in trade payables	240.86	384.27
Movement in financial liabilities	(25.05)	104.96
Movement in provisions	(17.31)	25.28
Movement in other liabilities	51.47	56.22
Cash generated from operations	8,952.12	7,829.59
Direct taxes paid	(1,626.49)	(1,436.24)
Net cash flow generated from operating activities - Total (A)	7,325.63	6,393.35
B. Cash flows from investing activities		
Payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances/payables (refer note 43)	(3,766.00)	(3,140.09)
Proceeds from sale of property, plant and equipment	14.76	4.07
Fixed deposits created during the year	(28,611.26)	(4,858.54)
Fixed deposits matured during the year	22,516.89	3,383.98
(Purchase)/Sale of current investment (net)	(7,162.05)	1,861.96
Purchase of non-current investment	(1,154.93)	(2,176.78)
Dividend received	198.24	203.88
Interest received	595.94	196.43
Net cash (used) in investment activities - Total (B)	(17,368.41)	(4,525.09)

Standalone Cash Flow Statement

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
C. Cash flows from financing activities		
(Repayment)/Proceeds from short-term borrowings (net)	(1,843.84)	256.66
Repayment of long-term borrowings	(3,442.99)	(100.76)
Proceeds from long-term borrowings	2,956.25	-
Repayment of deferred payment liabilities	(33.45)	(27.74)
Repayment of principal amount of lease liabilities	(51.13)	(30.50)
Interest paid on lease liabilities	(143.03)	(77.85)
Dividend paid	(1,892.03)	(1,792.94)
Proceeds from issue of equity shares [including securities premium, (net)]	23,931.53	40.00
Interest paid	(97.61)	(172.92)
Net cash flow from/(used) in financing activities - Total (C)	19,383.70	(1,906.05)
D. Net increase in cash and cash equivalents (A)+(B)+(C)	9,340.92	(37.79)
E. Cash and cash equivalents at the beginning of the year	246.01	283.80
F. Cash and cash equivalents at the end of the year (D)+(E)	9,586.93	246.01
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	166.41	243.62
Cash on hand	0.06	0.10
Cheque on hand	-	2.29
Bank deposits with original maturity of less than three months	9,420.46	-
Balances per statement of cash flows	9,586.93	246.01

Note: The above statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The summary of material accounting policies and other explanatory information form 1 to 54 an integral part of these standalone financial statements.

This is the standalone statement of cash flows referred to in our report of even date.

For **Walker ChandioK & 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
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

Standalone Statement of Changes in Equity

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

A. EQUITY SHARE CAPITAL

	Amount
Balance as at 1 st April 2023	5,854.05
Equity share issued during the year (refer note 13)	10.43
Balance as at 31 st March 2024	5,864.48
Equity share issued during the year (refer note 13)	352.70
Balance as at 31 st March 2025	6,217.18

B. OTHER EQUITY

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow Hedge Reserve	Cash Flow Hedge Reserve	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Employee's stock options reserve				
Balance as at 1 st April 2023	120.00	5,601.48	25.93	10,428.95	46.03	(328.28)	12.78	737.23	16,644.12
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 31 st March 2024	120.00	5,680.81	25.93	13,463.47	155.11	(328.28)	21.57	737.23	19,875.84

Standalone Statement of Changes in Equity

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Reserve and Surplus					Equity instruments through other comprehensive income	Cash Flow Hedge Reserve	Cash Flow Hedge Reserve	Total
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Employee's stock options reserve				
Net profit for the year	-	-	-	5,796.88	-	-	-	-	5,796.88
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	14.44	-	14.44
Remeasurement of defined benefit obligations (net of tax)	-	-	-	(8.36)	-	-	-	-	(8.36)
Dividend paid (refer note 34)	-	-	-	(1,892.04)	-	-	-	-	(1,892.04)
Premium on fresh issue of equity shares	-	23,652.17	-	-	-	-	-	-	23,652.17
Premium used for expenses related to fund raising	-	(230.42)	-	-	-	-	-	-	(230.42)
Employee stock option reserve created during the year (Refer note 45)	-	-	-	-	293.93	-	-	-	293.93
Impact on exercise of ESOPs grants (Refer note 45)	-	39.18	-	-	(39.18)	-	-	-	-
Premium on ESOPs issue	-	231.66	-	-	-	-	-	-	231.66
Balance as at 31 st March 2025	120.00	29,373.40	25.93	17,359.95	409.86	(328.28)	36.01	737.23	47,734.10

This is the standalone statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & 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 2025

Place: Gurugram
Date: 30th April 2025

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

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 27th 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 POLICY INFORMATION

2.1 Basis of preparation and measurement

i) Statement of compliance

The standalone financial statements have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the “Act”) (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 30th April 2025.

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 policy information

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)
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 2025

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 remaining amortisation period for material individual intangible assets is 0-14 years.

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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

other gains/ (losses). Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing 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.	
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/any other incentive 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/conditions met 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).	

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

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 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	

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

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.

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:

- a) 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.
- b) 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:

- i) 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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

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

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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

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.

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 Companied 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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

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.

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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

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.

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 judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

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 judgments 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 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 judgment 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)

For the year ended 31st March 2025, MCA has not notified any new standards applicable to the Company.

Recent Indian Accounting Standards (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 1st April 2024:

1. Amendments to Ind AS 116 - Lease liability in a sale and leaseback
2. Introduction of Ind AS 117
3. The amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the Company's Standalone Financial Statements.

3 PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS (CWIP) AND RIGHT-OF-USE ASSET (ROU)

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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	Right-of-use assets		
										Leasehold land	Building	Total
Gross carrying amount as at 1 st April 2023	26.12	1,179.70	9,129.04	98.75	158.69	220.11	203.20	141.29	11,156.90	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	-	839.00	839.00
Transfer on capitalisation [#]	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(20.37)	-	(0.03)	(2.61)	(30.61)	-	(53.62)	-	-	-
Gross block as at 31 st March 2024	26.12	1,273.63	11,226.11	124.15	190.20	258.76	257.04	142.36	13,498.38	845.55	1,655.20	2,500.75
Accumulated depreciation as at 1 st April 2023	-	181.31	2,487.96	43.74	92.86	142.72	73.51	60.98	3,083.08	-	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 31 st March 2024	26.12	1,042.16	7,461.43	66.88	81.68	72.75	168.47	67.45	8,986.92	798.22	1,371.71	2,169.94
Gross carrying amount as at 1 st April 2024	26.12	1,273.63	11,226.11	124.15	190.20	258.76	257.04	142.36	13,498.38	845.55	1,655.20	2,500.75
Additions	-	139.06	3,435.50	38.66	25.58	45.80	72.66	26.77	3,784.02	-	-	-
Transfer on capitalisation [#]	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(7.48)	-	-	(12.40)	(27.97)	-	(47.85)	-	-	-
Gross block as at 31 st March 2025	26.12	1,412.69	14,654.13	162.81	215.78	292.16	301.73	169.13	17,234.55	845.55	1,655.20	2,500.75
Accumulated depreciation as at 1 st April 2024	-	231.47	3,764.68	57.27	108.52	186.02	88.57	74.92	4,511.45	47.33	283.48	330.81
Depreciation charge during the year	-	52.36	1,516.16	14.71	19.08	47.40	48.59	16.50	1,714.80	2.64	129.55	132.19
Disposals	-	-	(4.84)	-	-	(12.30)	(14.65)	-	(31.79)	-	-	-
Closing accumulated depreciation	-	283.83	5,276.00	71.98	127.60	221.12	122.51	91.42	6,194.46	49.96	413.03	463.00
Net carrying amount as at 31 st March 2025	26.12	1,128.86	9,378.13	90.83	88.18	71.04	179.22	77.71	11,040.09	795.59	1,242.16	2,037.75

[#] 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 2025

(Figures in Million INR, except per share data, unless stated otherwise)

CWIP aging schedule as at 31st March 2025

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	992.37	59.96	21.24	-	1,073.57

*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 otherthan stated in point (vi) below.

CWIP aging schedule as at 31st March 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
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 otherthan stated in point (vi) below.

Notes:

- Building (gross block) amounting INR 1,213.69 million (31st March 2024: INR 1,102.27 million), net block INR 896.82 million (31st March 2024: INR 824.55 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 648.15 million (31st March 2024: INR 425.44 million) relating to development.
- Property, plant and equipment (net carrying amount) of INR 148.10 million (31st March 2024: INR 134.94 million) and capital work-in-progress of INR 24.63 million (31st March 2024: INR 26.29 million) is lying with job workers.
- Capital work-in-progress includes amount of INR 22.83 million (31st March 2024: INR 22.05 million) pertaining to projects in progress which have crossed the budgeted period.

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 1 st 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 31 st 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 1 st 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 31 st March 2024	287.41	28.63	627.80	-	925.36	-	1,869.19	-	-
Net carrying amount as at 31 st March 2024	174.14	2.60	365.10	687.40	2,003.64	1,582.24	4,815.12	453.29	453.29

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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 1 st April 2024	461.55	31.23	992.90	687.40	2,929.00	1,582.24	6,684.31	453.29	453.29
Additions	87.68	-	75.33	-	-	-	163.01	361.66	361.66
Disposal	(0.76)	-	-	-	-	-	(0.76)	(27.06)	(27.06)
Transfer to intangible assets	-	-	-	-	-	-	-	(160.78)	(160.78)
Gross block as at 31 st March 2025	548.47	31.23	1,068.23	687.40	2,929.00	1,582.24	6,846.56	627.11	627.11
Accumulated amortisation as at 1 st April 2024	287.41	28.63	627.80	-	925.36	-	1,869.19	-	-
Amortisation charge for the year	63.10	0.54	220.33	-	195.66	-	479.63	-	-
Disposals	(0.76)	-	-	-	-	-	(0.76)	-	-
Closing accumulated amortisation as at 31 st March 2025	349.75	29.17	848.13	-	1,121.02	-	2,348.06	-	-
Net carrying amount as at 31 st March 2025	198.72	2.06	220.10	687.40	1,807.98	1,582.24	4,498.49	627.11	627.11

[#] Refer note 46

Intangible assets under development aging schedule for the year ended 31st March 2025

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	284.02	187.12	129.09	26.88	627.11

*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 2024

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

5 INVESTMENTS

	As at 31 st March 2025	As at 31 st March 2024
At Cost, Unquoted investments, Investment in equity shares of subsidiary companies		
1,878,801 (31 st March 2024: 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 2024: 1,500,000) equity shares of INR 10 each in Sona Comstar eDrive Private Limited	15.00	15.00
130,000 (31 st March 2024:1,29,990 equity shares of INR 10 each and 10 equity of INR 10 each jointly with Mr. Sat Mohan Gupta) equity shares of INR 10 each in Comstar Automotive Technology Services Private Limited	73.80	73.80
250,000 (31 st March 2024: 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 2024: 54% voting rights) in Novelic d.o.o. Beograd (refer note 46 (b))	3,506.37	3,506.37
99,940,474 (31 st March 2024: 2,615,974) equity shares of 1 peso each in Sona BLW Edrive Mexicana, S.A.P.I DE C.V.*	438.42	12.74
Deemed Investment (refer note 36)	6.54	0.29
1 (31 st March 2024: 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 2024: 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		
392,647 (31 st March 2024: 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)
	-	-
Fair value through profit and loss account, Unquoted investments, Investment in equity shares of other than subsidiary companies (non-current)		
42,716 (31 st March 2024: 42,716) equity shares of INR 10 each in Clean Max Calypso Private Limited	54.94	54.94
17,805 (31 st March 2024: Nil) equity shares of INR 10 each in Clean Max Nova Private Limited	14.00	-
	5,587.43	5,141.50
Aggregate amount of unquoted non-current investments	5,587.43	5,141.50
Aggregate amount of unquoted investments at market value	68.94	54.94
Aggregate amount of impairment of unquoted investments	328.28	328.28

* Incorporated during the previous year.

** the amount is 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 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	As at 31 st March 2025	As at 31 st March 2024
Investment (current)		
At fair value through profit and loss - Quoted Investment		
Nil (31 st March 2024: 76,312.99) of HDFC Overnight Fund - Regular	-	271.15
185,396 (31 st March 2024: Nil) of Axis Overnight Fund - Regular	250.50	-
18,833 (31 st March 2024: Nil) of SBI Overnight Fund - Regular	78.22	-
84,150,909 (31 st March 2024: Nil) Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund	1,013.28	-
79,098,779 (31 st March 2024: Nil) HDFC Nifty G-sec Dec 2026 Index Fund	943.58	-
85,811,549 (31 st March 2024: Nil) SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	1,034.01	-
36,336,507 (31 st March 2024: Nil) SBI CRISIL IBX Gilt Index April 2029 Fund	445.57	-
59,272,114 (31 st March 2024: Nil) Aditya Birla Sun Life CRISIL IBX 60:40 SDL plus AAA PSU - Apr 2027 Index Fund	709.56	-
85,216,025 (31 st March 2024: Nil) Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund	1,034.97	-
27,937,956 (31 st March 2024: Nil) Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund	339.49	-
80,638,565 (31 st March 2024: Nil) Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund	963.69	-
85,328,745 (31 st March 2024: Nil) Axis CRISIL IBX SDL May 2027 Index Fund - Direct	1,026.28	-
	7,839.15	271.15
Aggregate amount of quoted investments at market value	7,839.15	271.15

6 OTHER FINANCIAL ASSETS

	As at 31 st March 2025	As at 31 st March 2024
Unsecured, considered good		
Non-current		
Security deposits	97.28	88.63
Fixed deposits with banks with maturity period of more than 12 months	400.49	-
Total other financial assets- Non-current	497.77	88.63
Current		
Forward contract receivables (refer note 33 and 48)	4.35	18.10
Other financial assets	-	6.73
Fixed deposits with original maturity more than 12 months and remaining as at reporting date is less than 12 months	5,092.34	-
Total other financial assets- current	5,096.69	24.83

7 INCOME TAX ASSETS (NET)

	As at 31 st March 2025	As at 31 st March 2024
Non-current		
Prepaid taxes*	26.16	254.55
	26.16	254.55

*Amount paid under protest of INR 17.47 million (31st March 2024: INR 17.47 million).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	As at 31 st March 2025	As at 31 st March 2024
Non-current		
Prepaid expenses	6.91	18.37
Un-adjusted consideration for revenue contract	11.21	22.18
Capital advances	241.21	454.56
Other assets	429.02	458.18
Total other assets - non-current	688.35	953.29
Current		
Prepaid expenses	124.64	124.78
Loans and advances to employees	11.87	4.90
Advance to suppliers for goods and services	214.23	181.57
Balance with government authorities	568.41	398.27
Un-adjusted consideration for revenue contract	11.21	11.21
Other assets	146.95	132.96
Less: Allowance for doubtful advances	(20.38)	(20.38)
Total other assets - current	1,056.93	833.31

9 INVENTORIES

	As at 31 st March 2025	As at 31 st March 2024
Raw materials and components *	842.80	735.13
Work-in-progress**	372.37	405.19
Finished goods***	1,439.05	1,592.34
Stores and spares	155.10	129.22
Loose tools	44.94	45.38
Dies, jigs and fixtures	212.11	193.69
Scrap	10.14	14.96
Total #	3,076.51	3,115.91

Total inventory is net of provision for obsolete and slow moving inventory amounting to INR 93.88 million (31st March 2024: INR 72.06 million)

* Includes raw materials and components in transit amounting INR 87.10 million (31st March 2024: INR 89.56 million)

* Includes raw materials and components with the vendors sent for job work INR 11.01 million (31st March 2024: INR 12.65 million)

** Includes inventory with the vendors sent for job work INR 111.66 million (31st March 2024: INR 153.63 million)

*** Includes goods in transit INR 535.46 million (31st March 2024: INR 656.82 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 2025	As at 31 st March 2024
Unsecured		
Trade receivables considered good	6,281.64	5,821.36
Trade receivables - credit impaired	5.07	5.07
Less: Allowances for expected credit loss	(5.07)	(5.07)
Total trade receivables	6,281.64	5,821.36

Notes:

- (i) Refer note 36 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 15(ii).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Trade receivables ageing schedule as at 31st March 2025

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	5,332.28	924.24	22.79	1.67	0.66	-	6,281.64
(ii) Trade receivables - credit impaired	-	-	-	-	0.25	4.82	5.07

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

11 CASH AND CASH EQUIVALENTS

	As at 31 st March 2025	As at 31 st March 2024
Balance with banks		
- in current accounts*	166.41	243.62
Cash on hand	0.06	0.10
Cheque on hand	-	2.29
Bank deposits with original maturity of less than three months	9,420.46	-
Total cash and cash equivalents	9,586.93	246.01

* Includes INR 7.97 million (31st March 2024: INR 0.30 million) for amount earmarked for corporate social responsibility.

12 OTHER BANK BALANCES

	As at 31 st March 2025	As at 31 st March 2024
Bank deposits with original maturity of more than three months but residual maturity of less than twelve months	2,525.69	1,731.84
Total other bank balances	2,525.69	1,731.84

13 (A) EQUITY SHARE CAPITAL

	As at 31 st March 2025	As at 31 st March 2024
Authorised share capital		
1,148,500,000 (31 st March 2024: 1,148,500,000) equity shares of INR 10 each	11,485.00	11,485.00
Issued, subscribed and paid up share capital		
621,717,975 (31 st March 2024: 586,447,778) equity shares of INR 10 each fully paid up	6,217.18	5,864.48

i) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 st March 2025	As at 31 st March 2024
Equity shares outstanding at the beginning of the year	586,447,778	585,404,582
Add: Issue of shares (refer note 45 and 47)	35,270,197	1,043,196
Equity shares outstanding at the end of the year	621,717,975	586,447,778

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Amount	As at 31 st March 2025	As at 31 st March 2024
Equity shares outstanding at the beginning of the year	5,864.48	5,854.05
Add: Issue of shares	352.70	10.43
Equity shares outstanding at the end of the year	6,217.18	5,864.48

ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR 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 2025	As at 31 st March 2024
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	174,208,904	174,208,904
Axis Mutual Fund	18,185,809	39,675,502
Government Of Singapore	42,535,803	38,283,615
Sbi Mutual Fund	53,564,349	34,400,633

Percentage	As at 31 st March 2025	As at 31 st March 2024
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	28.02%	29.71%
Axis Mutual Fund	2.93%	6.77%
Government Of Singapore	6.84%	6.53%
Sbi Mutual Fund	8.62%	5.87%

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 2025 and five years immediately preceding the year ended 31st March 2025.

v) Promoters shareholding

Shareholding of promoters as on 31st March 2025

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	28.02	(1.69)
*Rani Kapur- RK Family Trust	72	**	-
*Ashok Sachdev	151	**	-
*Jasbir Sachdev	361	**	-
*Charu Sachdev	423	**	-
*Raghuvanshi Investment Private Limited	744	**	-
Total	174,210,655	28.02	(1.69)

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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)

* Promoter Group

** Percentage is negligible

13 (B) PREFERENCE SHARE CAPITAL

	As at 31 st March 2025	As at 31 st March 2024
Authorised share capital		
1,500,000 (31 st March 2024: 1,500,000) preference shares of INR 10 each	15.00	15.00
Issued, subscribed and paid up share capital		
Nil (31 st March 2024: Nil) Compulsorily convertible preference shares of INR 10 each fully paid up	-	-

14 OTHER EQUITY

	As at 31 st March 2025	As at 31 st March 2024
Retained earnings	17,359.95	13,463.47
General reserve	120.00	120.00
Securities premium (net)	29,373.40	5,680.81
Capital redemption reserve	25.93	25.93
Equity instruments through other comprehensive income	(328.28)	(328.28)
Employee's stock options reserve	409.86	155.11
Cash flow hedge reserve (net of tax) (refer note 48)	36.01	21.57
Merger Reserve	737.23	737.23
Total reserves and surplus	47,734.10	19,875.84

a) Retained earnings

	As at 31 st March 2025	As at 31 st March 2024
Opening balance	13,463.47	10,428.95
Net profit for the year	5,796.88	4,844.80
Remeasurement of defined benefit obligations, net of tax	(8.36)	(17.34)
Less:-Dividend paid	(1,892.04)	(1,792.94)
Closing balance	17,359.95	13,463.47

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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

b) General reserve

	As at 31 st March 2025	As at 31 st March 2024
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 2025	As at 31 st March 2024
Opening balance	5,680.81	5,601.48
Premium on ESOPs issue	231.66	29.55
Add: Premium on fresh issue of equity shares (refer note 47)	23,652.17	-
Add: Impact on ESOP shares issuance	39.18	49.78
Less: Expense related to capital raising	(230.42)	-
Closing balance	29,373.40	5,680.81

- (i) Securities premium represents premium received on issuance of shares. The balance is utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) During the year, the Company incurred INR 305 million as expenses in connection with funds raised through Qualified Institutional Placement (QIP) aggregating to INR 24,000.00 million. In accordance with the provisions of Section 52 of the Companies Act, 2013 and the treatment provided under Ind AS 32 (Financial Instruments: Presentation) as well as Ind AS 12 (Income Taxes), as sum of INR 230.42 million (after reducing Income taxes of INR 74.58 million) has been adjusted against the Securities Premium.

d) Capital redemption reserve

	As at 31 st March 2025	As at 31 st March 2024
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 2025	As at 31 st March 2024
Opening balance	737.23	737.23
Movement during the year	-	-
Closing balance	737.23	737.23

Merger Reserve was 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 standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

f) Equity instruments through other comprehensive income

	As at 31 st March 2025	As at 31 st March 2024
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 2025	As at 31 st March 2024
Opening balance	155.11	46.03
Add: Created during the year (refer note 45)	293.93	158.86
Less: Utilised during the year	(39.18)	(49.78)
Closing balance	409.86	155.11

This reserve represents the shared based compensation expense recorded with 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 2025	As at 31 st March 2024
Opening balance	21.57	12.78
Add: Changes in fair value of hedge instruments	45.87	(23.60)
Less: Amount reclassified to statement of profit and loss	(26.58)	35.35
Less: Deferred tax relating to above	(4.85)	(2.96)
Closing balance	36.01	21.57

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 BORROWINGS

(i) Non-current borrowings

	As at 31 st March 2025	As at 31 st March 2024
Secured		
Term loans from banks		
Indian rupee loans	-	486.75
	-	486.75
Less: Amount disclosed under current borrowings (refer note 15 (ii) below)	-	(194.70)
Total non-current borrowings	-	292.05

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:

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

- Term loan from HDFC bank as on 31st March 2024 was amounting to INR 333.33 million was repayable in 12 quarterly instalments w.e.f. October 2023.
- Term loan from Citi bank as on 31st March 2024 was amounting to INR 62.50 million was repayable in 16 quarterly instalments w.e.f. December 2022.
- Term loan from Citi bank as on 31st March 2024 was amounting to INR 90.92 million was 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 was a floating interest rate linked with T-bill current effective rate in the range of 8.09%-8.87% p.a.

All the loans were repaid during the year.

(ii) Current borrowings

	As at 31 st March 2025	As at 31 st March 2024
Secured		
Indian Rupee loans repayable on demand from banks (refer note (a) below)	-	1,737.95
Indian Rupee loans repayable on demand from NBFC (refer note (b) below)	-	105.89
Current Maturities of non-current borrowings (refer note 15(i))	-	194.70
Total current borrowings	-	2,038.54

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 as on 31st March 2024 was amounting to INR 9.23 million was repayable on demand carries interest @ floating rate linked with T-bill current year effective rate was 9.15 % p.a.
- EPC as on 31st March 2024 was amounting to 1,728.72 million was repayable on demand carries interest @ floating rate linked with T-bill current year effective rate was the range of 5.18% - 5.54% p.a.

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 31 March 2024 the Company had factoring facilities in place for trade receivables amounting to INR 105.89 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.

All the loans were repaid during the year.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(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 1st April 2023	587.50	1,587.18	738.95	2,913.64
Cash Flows:				
Repayment of non-current borrowings	(100.76)	-	-	(100.76)
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
Cash Flows:				
Repayment of non-current borrowings	(3,442.99)	-	-	(3,442.99)
Proceeds from non-current borrowings	2,956.25	-	-	2,956.25
Repayment of current borrowings (net)	-	(1,843.84)	-	(1,843.84)
Repayment of lease liabilities	-	-	(194.16)	(194.16)
Non-cash changes				
Interest expense on lease liabilities	-	-	143.03	143.03
Balance As at 31st March 2025	-	-	1,496.37	1,496.37

16 OTHER FINANCIAL LIABILITIES

	As at 31 st March 2025	As at 31 st March 2024
Non-current		
Security deposits	2.24	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	2.24	688.59
Current		
Interest accrued but not due on borrowings	-	2.79
Security deposits	3.33	3.38
Employee benefits payable	281.91	311.62
Capital creditors*	654.40	394.05
Payable to founders of Novellic d.o.o. (refer note 46(b))	537.33	262.29
Payable to Novellic d.o.o. (refer note 36 and 46(b))	191.11	448.43
Other payables	12.01	16.40
Total other financial liabilities - current	1,680.09	1,438.96

* includes MSME balance of INR 162.54 million (31st March 2024: INR 58.42 million).

17 PROVISIONS

	As at 31 st March 2025	As at 31 st March 2024
Non-current		
Provision for compensated absences (refer below and note 38)	132.15	115.01
Provision for defined benefit plans (refer note 38)	78.66	69.96
Provision for warranty (refer below)	41.01	62.72
Total provisions - non-current	251.82	247.69
Current		
Provision for compensated absences (refer below and note 38)	61.54	48.29
Provision for warranty (refer below)	27.32	23.94
Total provisions - current	88.86	72.23

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

The reconciliation of the carrying amount of provision from beginning of the year to end of the year is provided below:

	31 st March 2025	31 st March 2024
Provision for Compensated absences		
Opening balance	163.30	137.55
Additions	81.67	90.98
Amounts utilised	(51.28)	(65.23)
Closing balance	193.69	163.30
Provision for Warranty		
Opening balance	86.66	48.27
Additions	26.90	45.14
Amounts utilised	(45.23)	(6.75)
Closing balance	68.33	86.66

18 DEFERRED TAX LIABILITIES (NET)

Movement in deferred tax assets/liabilities

31st March 2025

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in other equity	Closing Balance
Property, plant and equipment and intangible assets	694.15	(75.04)	-	-	619.11
Provision for employee benefits obligation	(64.25)	(9.15)	-	-	(73.40)
Others	80.35	124.15	-	(22.09)	182.41
Total	710.25	39.96	-	(22.09)	728.12

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

Deferred tax assets amounting to INR 82.62 million (31st March 2024: 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.

19 TRADE PAYABLES

	As at 31 st March 2025	As at 31 st March 2024
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 41)	453.28	519.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,481.44	2,174.60
Total Trade payables	2,934.72	2,694.47

Notes:

- (i) Refer note 36 for balance payable to related parties.
- (ii) There is no disputed dues.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Trade payables aging schedule as at 31st March 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	6.47	428.14	18.23	0.30	0.14	-	453.28
(ii) Others	479.77	1,378.99	606.79	3.66	1.32	10.91	2,481.44
Total	486.24	1,807.13	625.02	3.96	1.46	10.91	2,934.72

Trade payables aging schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	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

20 OTHER CURRENT LIABILITIES

	As at 31 st March 2025	As at 31 st March 2024
Statutory dues payable	73.78	83.09
Revenue received in advance (refer note 44)	257.45	198.78
Other current liabilities	13.28	11.15
Total current liabilities	344.51	293.02

21 CURRENT TAX LIABILITIES

	As at 31 st March 2025	As at 31 st March 2024
Income tax liabilities (net)(Net of advance tax INR 1,804.47 million (31 st March 2024: INR 1,395.92 million))	62.24	89.26
Total current tax liabilities	62.24	89.26

22 REVENUE FROM OPERATIONS

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Sale of goods*	30,928.47	27,887.78
Other operating revenue		
Scrap sales	683.16	684.66
Export/other incentive	640.45	294.55
Royalty income	0.62	1.46
Provision for doubtful debts written back	0.23	46.19
Others	10.05	3.62
Total revenue from operations	32,262.98	28,918.26

* Refer note 44.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

23 OTHER INCOME

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Interest on financial assets carried at amortised cost	743.03	98.45
Interest income from income tax refunds	45.22	-
Profit on sale of investments	405.95	97.98
Dividend income from subsidiary (refer note 36)	198.24	203.88
Others	15.34	1.40
Total other income	1,407.78	401.71

24 (A) COST OF MATERIALS CONSUMED

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Raw material at the beginning of the year	735.13	671.79
Add: Purchases during the year	13,986.27	12,726.96
Less: Raw material at the end of year	842.80	735.13
Cost of material consumed	13,878.60	12,663.62

24 (B) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Inventories at the beginning of the year		
Work-in-progress	405.19	324.89
Finished goods	1,592.34	1,305.54
	1,997.53	1,630.43
Inventories at the end of the year		
Work-in-progress	372.37	405.19
Finished goods	1,439.05	1,592.34
	1,811.42	1,997.53
Changes in inventories	186.11	(367.10)

25 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salaries, wages and allowances	1,758.21	1,602.08
Contribution to provident and other funds	132.67	116.71
Staff welfare expenses	293.11	245.73
Share-based payment to employees (refer note 45)	269.27	147.01
Total employee benefits expense	2,453.26	2,111.54

26 FINANCE COSTS

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Interest on loans	88.12	136.39
Other borrowing costs	33.45	27.74
Other finance charges	14.48	11.89
Interest on lease liabilities (refer note 43)	143.03	77.85
Total finance costs	279.08	253.87

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

27 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Depreciation of property, plant and equipment (refer note 3)	1,714.79	1,472.15
Amortisation of intangible assets (refer note 4)	479.63	476.69
Amortisation of right-of-use assets (refer note 3)	132.19	77.03
Total depreciation and amortisation expense	2,326.61	2,025.87

28 OTHER EXPENSES

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Consumption of stores, spares and tool	1,499.62	1,391.86
Power and fuel	882.57	812.62
Freight, clearing and forwarding charges	489.07	440.31
Packing material	480.94	411.68
Sub-contracting cost	992.74	984.27
Rent (refer note 43)	63.38	44.89
Repairs and maintenance - plant and machinery	338.96	305.47
Repair and maintenance - buildings	18.29	26.90
Repair and maintenance - others	178.76	164.95
Manpower hiring on contract	698.56	622.42
Legal and professional charges (refer note (a) below)	236.55	246.09
Testing and designing charges	125.56	110.69
Software Charges	84.98	62.79
Rates and taxes	15.57	19.30
Insurance	87.15	68.24
Travelling, conveyance and vehicle expenses	217.26	192.76
Communication and stationery expenses	23.03	23.74
Security charges	35.38	29.32
Corporate social responsibility expense (refer note (b) below)	97.14	63.60
Business promotion	25.44	30.34
Directors sitting fees and commision (refer note 36)	57.02	51.36
Loss on sale of property, plant and equipments (net)	1.30	2.00
Provision for warranty	26.90	45.14
Miscellaneous expenses	27.91	114.98
Total other expenses	6,704.08	6,265.72

a) Details of payment to auditors*

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Payments to the statutory auditor:		
(a) For Statutory Audit	12.20	12.50
(b) For other services*	3.53	1.98
(c) For reimbursement of expenses	1.27	0.99
Total expenses	17.00	15.47

* Excluding applicable taxes and fees paid for services related to QIP (refer note 47).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

b) Corporate social responsibility expenditure

Details of CSR Expenditure:

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
a) Gross amount required to be spent by the Company during the year*	97.14	63.60
b) Amount spent during year is as below		
(i) Construction/ acquisition of assets	-	-
(ii) On Purpose other than above	64.59	49.56
Total Amount Spent	64.59	49.56
Amount yet to be spent	32.55	14.04

	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
Ongoing Projects and others (31st March 2025)		
Opening Balance		
With Company	-	-
In Separate CSR Unspent A/c	14.36	-
Add: Amount required to be spent during the year	97.14	-
Less: Amount spent during the year		
From Company's bank A/c (from the CSR obligation of financial year 2024-2025)	64.59	-
From Separate CSR Unspent A/c (from the CSR obligation of financial year 2022-2023 & 2023-24)	6.37	-
Closing Balance	40.54	-
With Company	-	-
In Separate CSR Unspent A/c	7.97	-

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company has transferred INR 32.55 million the unspent amount relating to ongoing project for CSR for FY 2024-25 in a 'Unspent Corporate Social Responsibility Account- Sona BLW Precision Forgings Limited- 2025' on 28th April 2025.

* Excluding CSR expense of INR Nil (31st March 2024: INR 3.35 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 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 2021-2022 & 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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

29 EXCEPTIONAL ITEM

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Costs incurred in relation to various acquisition opportunities (refer note 50)	192.85	87.16
	192.85	87.16

30 INCOME TAX EXPENSE

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Current tax	1,885.95	1,452.51
Tax related to previous years	(7.62)	(28.68)
Deferred tax charge/(credit)	39.96	23.49
Total Income Tax expense	1,918.29	1,447.32

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 2025	For the year ended 31 st March 2024
Profit before income tax expense	7,715.17	6,292.12
Income tax as per statement of profit and loss	1,918.29	1,447.32
Tax at the Indian tax rate of 25.17% (31st March 2024: 25.17%)	1,941.68	1,583.54
Effect of non-deductible expenses	24.45	16.00
Tax effect on Dividend from foreign subsidiary claimed as deduction	(49.87)	(51.31)
Tax effect of ESOP exercised	5.06	(119.91)
Others	(3.03)	19.00
Income tax expense (as per statement of profit and loss)	1,918.29	1,447.32

31 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Revenue expenditure charged to statement of profit and loss		
- Revenue and development expenditure charged to statement of profit and loss	378.72	369.75
- Capital expenditure (refer note 3 and 4)*	566.78	337.91
Total research and development expenses	945.50	707.66

* This includes development expenditure incurred on CWIP/intangible under development amounting to INR 322.74 million (31st March 2024: INR 83.36 million).

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

32 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	As at 31 st March 2025			As at 31 st March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	6,281.64	-	-	5,821.36
Cash and bank balances	-	-	12,112.61	-	-	1,977.85
Other financial assets	-	-	5,590.11	-	-	95.36
Derivative financial assets	4.35	-	-	18.10	-	-
Non-current investments	68.94	-	-	54.94	-	-
Current Investments	7,839.15	-	-	271.15	-	-
Total financial assets	7,912.45	-	23,984.36	344.20	-	7,894.57
Financial liabilities						
Borrowings	-	-	-	-	-	2,333.37
Trade payables	-	-	2,934.72	-	-	2,694.47
Other financial liabilities	-	-	1,682.33	-	-	2,124.76
Lease liabilities	-	-	1,496.38	-	-	1,547.50
Derivative financial liabilities	-	-	-	-	-	-
Total financial liabilities	-	-	6,113.43	-	-	8,700.11

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 2025			
Foreign exchange forward contracts-assets	-	4.35	-
Non-current investments- asset	-	-	68.94
Current investments- asset	7,839.15	-	-
Total financial assest	7,839.15	4.35	68.94
As at 31st March 2024			
Foreign exchange forward contracts-assets	-	18.10	-
Non-current investments - asset	-	-	54.94
Current investments - asset	271.15	-	-
Total financial assets	271.15	18.10	54.94

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

ii) Fair value of instruments measured at amortised cost

	As at 31 st March 2025	As at 31 st March 2024
Financial assets		
Trade receivables	6,281.64	5,821.36
Cash and bank balances	12,112.61	1,977.85
Other financial assets	5,590.11	95.36
Total financial assets	23,984.36	7,894.57
Financial liabilities		
Borrowings	-	2,333.37
Lease liabilities	1,496.38	1,547.50
Trade payable	2,934.72	2,694.47
Other financial liability	1,682.33	2,124.76
Total financial liabilities	6,113.43	8,700.11

All assets and liabilities measured at amortised cost have been classified as level 3, as prescribed under the accounting standard. An explanation of each level is 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.

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

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(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.

Financial assets that expose the entity to credit risk –

Credit rating	Particulars	As at 31 st March 2025	As at 31 st March 2024
Low credit risk	Cash and bank balances	12,112.61	1,977.85
	Other financial assets	5,590.11	95.36
	Investment	7,839.15	271.15
	Derivative financial assets	4.35	18.10
Moderate credit risk	Trade receivables*	6,281.64	5,821.36

*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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(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 2025, and for the year ended 31st March 2024 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

	31 st March 2025	31 st March 2024
At the beginning of year	5.07	51.26
Movement during the year	0.00	(46.19)
Total expected credit loss allowance*	5.07	5.07

This amount of expected credit loss allowance has been created on trade receivables aged more than 90 days as on reporting date.

(B) Liquidity risk

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 non-derivative financial liabilities have contractual undiscounted maturities as summarised below:

Contractual maturities of financial liabilities:

	Less than 1 year	1 to 5 years	More than 5 years	Total
31 st March 2025				
Borrowings	-	-	-	-
Trade payables	2,934.72	-	-	2,934.72
Other financial liabilities	1,680.09	2.24	-	1,682.33
Lease liabilities	197.90	808.67	1,554.00	2,560.57
Total	4,812.71	810.91	1,554.00	7,177.62

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Less than 1 year	1 to 5 years	More than 5 years	Total
31 st March 2024				
Borrowings	2,038.54	292.04	-	2,330.58
Trade payables	2,694.47	-	-	2,694.47
Other financial liabilities	1,438.96	688.59	-	2,127.55
Derivative financial liabilities	-	-	-	-
Lease liabilities	194.30	810.20	1,750.05	2,754.55
Total	6,366.27	1,790.83	1,750.05	9,907.15

(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 2025	31 st March 2024
Variable rate borrowings	-	2,330.59
Total borrowings	-	2,330.59

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/other components of Equity	31 st March 2025	31 st March 2024
Interest rate increase by 1.00% (31 st March 2024: 1.00%)*	8.72	16.86
Interest rate decrease by 1.00% (31 st March 2024: 1.00%)*	(8.72)	(16.86)

* Holding other variables constant, net of tax.

(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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

The Company's exposure to foreign currency risk at the end of the reporting period expressed as follows

Foreign currency	31 st March 2025	31 st March 2024
Trade receivables and others		
United States Dollar (USD)	37.77	41.89
Euro (EUR)	7.28	3.69
Others	2.09	0.59
Trade/other payables		
United States Dollar (USD)	2.72	2.25
Euro (EUR)	7.37	9.31
Japanese Yen (JPY)	157.93	264.79
Canadian Dollar (CAD)^	-	0.00
Swiss Franc (CHF)	0.03	0.01
Serbian Dinar (RSD)	246.19	839.36
Others	0.04	0.03

^Rounded off to Nil

Indian Rupee (INR)	31 st March 2025	31 st March 2024
Trade receivables and others		
United States Dollar (USD)	3,228.57	3,493.64
Euro (EUR)	670.04	331.97
Others	24.94	6.77
Trade/other payables		
United States Dollar (USD)	232.86	187.58
Euro (EUR)	678.43	836.82
Japanese Yen (JPY)	89.64	145.82
Canadian Dollar (CAD)^	-	0.13
Swiss Franc (CHF)	2.81	1.27
Serbian Dinar (RSD)	193.88	643.54
Others	0.92	2.93

^Rounded off to Nil

	31 st March 2025	31 st March 2024
Outstanding forward contracts as at the reporting date (Million USD) - Receivable	109.55	132.65
Outstanding forward contracts as at the reporting date (Million EURO) - Receivable	20.81	20.91
Outstanding forward contracts as at the reporting date (Million JPY) - Payable	97.37	244.58
Outstanding forward contracts as at the reporting date (Million EUR) - Payable	8.00	15.96
Outstanding forward contracts as at the reporting date (INR in million) - Receivable	9,451.55	11,150.42
Outstanding forward contracts as at the reporting date (INR in million) - Receivable	1,969.65	1,937.05
Outstanding forward contracts as at the reporting date (INR in million) - Payable	57.79	144.01
Outstanding forward contracts as at the reporting date (INR in million) - Payable	761.71	1,493.08

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, 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 2025	For the year ended 31 st March 2024
Net currency receivables/(payables)		
USD sensitivity		
INR /USD - increase by 1.00% (31 st March 2024: 1.00%)*	22.42	24.74
INR /USD - decrease by 1.00% (31 st March 2024: 1.00%)*	(22.42)	(24.74)
EUR sensitivity		
INR /EURO - increase by 1.00% (31 st March 2024: 1.00%)*	(0.06)	(3.78)
INR /EURO - decrease by 1.00% (31 st March 2024: 1.00%)*	0.06	3.78
JPY sensitivity		
INR /JPY - increase by 1.00% (31 st March 2024: 1.00%)*	(0.67)	(1.09)
INR /JPY - decrease by 1.00% (31 st March 2024: 1.00%)*	0.67	1.09
CAD sensitivity		
INR /CAD - increase by 1.00% (31 st March 2024: 1.00%)*	-	(0.00)
INR /CAD - decrease by 1.00% (31 st March 2024: 1.00%)*	-	0.00
CHF sensitivity		
INR /CHF - increase by 1.00% (31 st March 2024: 1.00%)*	(0.02)	(0.01)
INR /CHF - decrease by 1.00% (31 st March 2024: 1.00%)*	0.02	0.01
RSD sensitivity		
INR /RSD - increase by 1.00% (31 st March 2024: 1.00%)*	(1.45)	(4.82)
INR /RSD - decrease by 1.00% (31 st March 2024: 1.00%)*	1.45	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 2025	31 st March 2024
Long-term borrowings including current maturities (refer note 15)	-	486.75
Short-term borrowings (refer note 15)	-	1,843.84
Less: Cash and cash equivalents (refer note 11)	(9,586.93)	(246.01)
Net debts *	(9,586.93)	2,084.59
Equity share capital (refer note 13)	6,217.18	5,864.48
Other equity (refer note 14)	47,734.10	19,875.84
Total equity	53,951.28	25,740.32
Net Gearing ratio	(17.77%)	8.10%

* Excluding lease liabilities.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Dividends	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Equity share		
Final dividend of INR 1.53 per each 586,460,546 equity share	897.28	-
Interim dividend of INR 1.60 per each 621,717,975 equity share	994.76	-
Final dividend of INR 1.53 per each 585,415,582 equity share	-	895.68
Interim dividend of INR 1.53 per each 586,441,810 equity share	-	897.26
	1,892.04	1,792.94

The Board of Directors of the Company in its meeting held on 30th April 2025 has recommended final dividend of INR 1.60/- i.e. (16.00%) per equity share of the Company having face value of INR 10/- each for the financial year 2024-2025, 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)

(ii) Key Management Personnel

Name	Designation
Mr. Vivek Vikram Singh	Managing Director & Group CEO
Mr. Vadapalli Vikram Verma	Whole Time Director and Chief Executive Officer (Driveline Business) (w.e.f. 24 th January 2025)
Mr. Sat Mohan Gupta	Chief Executive Officer (Motor business)
Mr. Rohit Nanda	Group Chief Financial Officer
Mr. Ajay Pratap Singh	Senior Vice President (Legal) & Company Secretary
Non-Executive Directors	
Mr. Sunjay Kapur	Chairman and Non-Executive Director
Mr. Prasan Abhaykumar Firodia	Independent director (till 23 rd October 2024)
Mr. Subbu Venkata Rama Behara	Independent director (till 4 th July 2024)
Mr. Amit Dixit	Director (till 11 th December 2024)
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. 1 st January 2024)
Mr. Pradip M Kanakia	Independent Director (w.e.f. 1 st July 2024)
Mr. Karamendra Daulet Singh	Independent Director (w.e.f. 24 th October 2024)
Mr. Vineet Mittal	Independent Director (w.e.f. 24 th January 2025)
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 2025

(Figures in Million INR, except per share data, 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. 6th September 2023)
NOVELIC SRL (w.e.f. 6th September 2023)
NOVELIC ESC DOOEL SKOPJE (w.e.f. 6th September 2023)
NIRSEN D.O.O (w.e.f. 6th September 2023)
Novelic GMBH (w.e.f. 20th June 2024)

(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 2025	For the year ended 31 st March 2024
Dividend paid		
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	545.27	533.08

(ii) Key Management Personnel *

Transactions	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Managerial remuneration		
Mr. Vivek Vikram Singh	32.44	36.36
Mr. Vadapalli Vikram Verma	29.37	37.28
Mr. Rohit Nanda	30.89	30.20
Mr. Sat Mohan Gupta	22.85	24.83
Mr. Ajay Pratap Singh	10.75	10.06
Remuneration to relative of KMP		
Mr. Tanay Gupta	-	1.32
Issue of equity shares under ESOP Scheme		
Mr. Vivek Vikram Singh	140.39	8.46
Mr. Vadapalli Vikram Verma	50.90	6.10
Mr. Rohit Nanda	-	4.57
Mr. Ajay Pratap Singh	4.19	1.83
Mr. Sat Mohan Gupta	-	6.10

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Transactions	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Share-based payment charged in profit and loss account		
Mr. Vivek Vikram Singh	60.83	25.07
Mr. Vadapalli Vikram Verma	38.70	16.09
Mr. Rohit Nanda	30.98	12.82
Mr. Sat Mohan Gupta	38.70	16.09
Mr. Ajay Pratap Singh	11.84	4.85
Director Sitting Fee		
Mr. Prasan Abhaykumar Firodia	0.12	0.36
Mr. B.V.R. Subbu	0.07	0.28
Mrs. Manisha Girotra	0.15	0.07
Mr. Jeffrey Mark Overly	0.48	0.38
Mrs. Shradha Suri	0.21	0.20
Mr. Pradip Manilal Kanakia	0.21	-
Mr. Vineet Mittal	0.04	-
Mr. Karamendra Daulet Singh	0.14	-
Commission		
Mr. Sunjay Kapur	24.00	24.00
Mr. Jeffrey Mark Overly	8.56	8.20
Mrs. Manisha Girotra	5.50	1.38
Mr. B.V.R. Subbu	1.43	5.50
Mrs. Shradha Suri	5.50	5.50
Mr. Pradip Manilal Kanakia	4.13	-
Mr. Karamendra Daulet Singh	2.40	-
Mr. Vineet Mittal	1.01	-
Mr. Prasan Abhaykumar Firodia	3.10	5.50
Dividend paid		
Mr. Vadapalli Vikram Verma	1.02	0.95
Mr. Vivek Vikram Singh	0.90	0.59
Mr. Ajay Pratap Singh	0.05	0.03
Mr. Sat Mohan Gupta	0.69	0.66
Mrs. Shradha Suri	#	#
Rani Kapur - RK Family Trust	#	#
Raghuvanshi Investment Private Limited	#	#
Charu Sachdev	#	#
Jasbir Sachdev	#	#
Ashok Sachdev	#	#
Sale of Vehicle		
Mr. Rohit Nanda	0.20	-
Mr. Vadapalli Vikram Verma	-	0.31
Mr. Kiran Manohar Deshmukh	-	0.57
Sat Mohan Gupta	-	1.01

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
* Break- up of Key management personnel remuneration		
Short-term employee benefits	126.31	140.05

* Including provident fund and any other benefit.

* Gratuity and leave encashment amounts 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) erstwhile shareholder, to certain identified employees of the Company pursuant to which Singapore VII made payment of awards to such identified employees between 5th April 2024 and 22nd April 2024. The Company has not made any such payment and hence there is no impact on the Company.

Note 1: The Company holds more than 20% in Clean Max Calypso Private Limited and Clean Max NOVA 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 5: Investments” under Investment measured at fair value through Profit & Loss account in the financial statements.

Note 2: The Company has reimbursed INR 6.70 million (March 31st 2024: INR 7.45 million) to its directors during the year.

Number less than INR 50,000

(iii) Subsidiary companies

Transactions	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Dividend Received		
Comstar Automotive USA LLC	198.24	203.88
Rent Received		
Sona Comstar Edrive Pvt Ltd.	0.05	0.05
Corporate Guarantee fee received		
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	0.48	0.08
Comstar Automotive (Hangzhou) Co., Ltd.	1.69	-
Service rendered		
Comstar Automotive Technology Services Private Limited	-	2.42
Reimbursement of expenses		
Comstar Automotive USA LLC	7.52	-
Comstar Automotive Technology Services Private Limited	2.66	-
Investment in the shares		
NOVELIC d o o Beograd	-	675.84
Sona Blw Edrive Mexicana, S.A.P.I. De C.V	425.68	12.45
Deemed investment in Sona Blw Edrive Mexicana, S.A.P.I. De C.V	6.24	0.29
Sale of goods		
Comstar Automotive USA LLC	993.30	778.12
Comestel Automotive Technologies Mexicana Limited	320.99	239.54
Comstar Automotive Hangzhou Co. Ltd.	39.35	0.06
Purchase of goods		
Comstar Automotive Hangzhou Co. Ltd.	-	17.64

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(c) Details of balances with related parties at year end

(i) Key Management Personnel

Balances as at year end	As at 31 st March 2025	As at 31 st March 2024
Payables		
Mr. Vivek Vikram Singh	9.85	15.98
Mr. Rohit Nanda	8.69	10.50
Mr. Vadapalli Vikram Verma	7.87	15.13
Mr. Ajay Pratap Singh	2.96	3.49
Mr. Sat Mohan Gupta	4.01	7.49
Mr. Tanay Gupta	-	0.18

(ii) Subsidiary companies

Balances as at year end	As at 31 st March 2025	As at 31 st March 2024
Receivable		
Comstar Automotive USA LLC	80.33	63.57
Comstar Automotive Hangzhou Co. Ltd.	41.28	0.06
Comestel Automotive Technologies Mexicana Ltd.	53.19	45.22
Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	0.48	0.08
Comstar Automotive Technology Services Private Limited	0.26	2.62
Sona Comstar eDrive Private Limited	0.02	-
Payable		
NOVELIC d.o.o.	191.11	628.31
Comestel Automotive Technologies Mexicana Ltd.	-	0.14
Comstar Automotive Hangzhou Co. Ltd.	-	7.65
Comstar Automotive USA LLC	7.52	-

Terms and conditions

All the transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured.

- (i) Corporate guarantee given on behalf of Sona BLW Edrive Mexicana, S.A.P.I DE C.V. is INR 470.93 million (31st March 2024: 42.50).
- (ii) Corporate guarantee given on behalf of Comstar Automotive Hangzhou Co. Ltd. is INR 239.33 million (31st March 2024: Nil).

37 EARNINGS PER SHARE

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Total profit attributable to the equity holders of the Company used for basic and diluted earnings per share (A)	5,796.88	4,844.80
Total number of equity shares at the beginning of the year	586,447,778	585,404,582
Issue of shares	35,270,197	1,043,196
Total number of equity shares at the end of the year	621,717,975	586,447,778
Effect of exercise of share options (refer note 45)	17,381	60,718
Total number of equity shares (including options) at the end of the year	621,735,356	586,508,496
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	606,025,908	585,855,017

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (B)	606,025,908	585,855,017
Effect of exercise of share options	17,381	60,718
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (C)	606,043,289	585,915,735
Nominal Value per share (in INR)	10.00	10.00
(a) Basic earnings per share (in INR)	9.57	8.27
(b) Diluted earnings per share (in INR)	9.57	8.27

38 EMPLOYEE BENEFITS

A Defined contribution plans:

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
a) Provident fund	149.08	127.36
b) Employees state insurance corporation	0.18	0.36
c) Labour welfare fund	0.43	0.39
d) Super annuation	2.05	1.89
e) National Pension Scheme	20.37	15.72
	172.11	145.72

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 2025	For the year ended 31 st March 2024
(i) Current service cost	31.22	26.70
(ii) Interest cost	23.45	20.80
(iii) Expected return on plan assets	(19.21)	(18.28)
Net expense recognised in the statement of profit and loss	35.46	29.22

II Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(i) Actuarial changes arising from changes in demographic assumptions	1.28	4.16
(ii) Actuarial changes arising from changes in financial assumptions	0.81	4.37
(iii) Actuarial changes arising from changes in experience adjustments	10.16	14.95
(iv) Return on plan assets greater than discount rate	(1.07)	(0.29)
Net expense recognised in other comprehensive income	11.18	23.18

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

III Changes in obligation

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(i) Opening balance	360.38	296.02
(ii) Current service cost	31.22	26.70
(iii) Interest cost	23.45	20.80
(iv) Actuarial (gain)/loss	12.25	23.48
(v) Benefit payments from plan assets	(10.20)	(6.61)
(vi) Transfer of employees from erstwhile related party	0.35	-
Present value of obligation as at year end	417.45	360.38

IV Changes in plan assets

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(i) Fair value of plan assets as at the beginning of the period	290.41	255.54
(ii) Interest income	19.21	18.28
(iii) Contributions by employer	37.05	22.92
(iv) Benefit payments from plan assets	(9.31)	(6.61)
(v) Actuarial gain/(loss) on plan assets	1.07	0.29
(vi) Transfer of employees from erstwhile related party	0.35	-
Fair value of plan assets	338.78	290.41

V Net assets / liabilities

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(i) Present value of obligation at the end of the year	417.45	360.38
(ii) Fair value of plan assets at the end of the year	338.78	290.41
(iii) Net liabilities recognised in the balance sheet		
- Non-current	78.67	69.97
- Current	-	-

VI Experience adjustment

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Experience adjustment loss on plan liabilities	3.88	6.11

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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

VIII Principal actuarial assumptions (Gratuity and Compensated absence)

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Discount rate (per annum)	6.40%-6.70%	7.15%-7.30%
Expected increase in salary costs (per annum)	8.00-10.00%	8.00-10.00%
Attrition rate	15.00-16.00%	15.00-16.00%
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:

	Impact on defined benefit obligation	
	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Delta effect of +1% change in rate of discounting	(15.05)	(12.68)
Delta effect of -1% change in rate of discounting	16.24	13.67
Delta effect of +1% change in rate of salary increase	15.86	13.38
Delta effect of -1% change in rate of salary increase	(14.93)	(12.60)

X Maturity profile of defined benefit obligation (undiscounted)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Within the next 12 months (next annual reporting period)	48.67	59.60
Between 2 and 5 years	133.74	189.96
Between 6 and 10 years	112.24	160.42
Total expected payments	294.65	409.98

XI The average duration of the defined benefit plan obligation at the end of the reporting period is 5-6.20 years (31st March 2024: 5-6.23 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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

39 CONTINGENT LIABILITIES

	As at 31 st March 2025	As at 31 st March 2024
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. (FY 2005-06 to 2007-08)	0.47	0.47
ii) Income Tax *		
Cases pending before Transfer pricing officer (AY-2013-14)	2.12	2.12
Cases pending before Transfer pricing officer (AY-2016-17)	2.98	2.74
Cases pending before CIT in respect of which the Company has filed appeal (AY-2017-18)**	97.66	90.85
Cases pending before CIT and Assessing officer in respect of which the Company has filed appeal (AY-2018-19)	8.07	7.15
iii) Central Excise Act, 1944		
Case pending before Directorate General of Goods And Service Tax Intelligence in respect of which the Compay has filed appeals. (FY 2014-15 to FY 2017-18)	-	0.61
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 2024: INR 17.47 million).

** Total disputed amount of the case is INR 106.29 million(31st March 2024:INR 99.48 million) (including interest liability) out of which INR 8.63 million (31st March 2024: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.

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:

	As at 31 st March 2025	As at 31 st March 2024
Export obligation pending	1,580.30	2,684.22

- d) The company has given letter of undertaking to its subsidiary company namely "Comstar Automotive Hongkong Limited" to provide finanical support if any required by the subsidiary company, for the year from 1st April 2025 to 31st March 2026 to allow it to continue as a going concern.

40 CAPITAL COMMITMENTS

	As at 31 st March 2025	As at 31 st March 2024
Estimated amount of contracts to be executed on capital account not provided for (net of advances)	700.08	1,597.56

The Board of the Company in its meeting held on 10th February 2025 has approved execution of an agreement for purchase of plot of land measuring 33,423 (thirty three thousand four hundred twenty three) square yards equivalent to 27,945.89 (twenty seven thousand nine hundred forty five point eight eight five) square meters forming part of the industrial plot bearing no. 115 and half of plot no. 114 located in Sector 24, Faridabad, Haryana from Escort Kubota, adjacent to the land of Railway Equipment Division ("RED") business of Escorts Kubota, for total consideration of INR 1100 million, which may help in its future expansion plans.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

41 DUES TO MICRO AND SMALL ENTERPRISES

	As at 31 st March 2025	As at 31 st March 2024
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	446.53	572.71
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;	6.75	6.20
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.	6.75	6.20

42 INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013 AND REGULATION 34 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015

	As at 31 st March 2025	Maximum amount outstanding during the year	As at 31 st March 2024	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	3,506.37	3,506.37
Details of investment made in Sona BLW Edrive Mexicana, S.A.P.I DE C.V.	438.42	438.42	13.03	13.03
Details of corporate guarantee given on behalf of Sona BLW Edrive Mexicana, S.A.P.I DE C.V.*	470.93	470.93	42.50	42.50
Details of corporate guarantee given on behalf of Sona Automotive (Hangzhou) Co. Limited*	239.33	239.33	-	-

* Corporate guarantee given to a vendor / lessor / Bank.

43 LEASES

- i) 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.
- ii) The Company does not have any lease commitments towards variable rent as per the contract.
- iii) 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:

Particulars	As at 31 st March 2025	As at 31 st March 2024
Current	60.56	51.44
Non-current	1,435.82	1,496.06
	1,496.38	1,547.50

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

v) Future minimum lease payments are as follows:

Particulars	As at 31 st March 2025		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	197.90	137.34	60.56
1-5 years	808.67	477.49	331.18
More than 5 years	1,554.00	449.36	1,104.64
Total	2,560.57	1,064.19	1,496.38

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

vi) The following are amounts recognised in profit or loss:

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Depreciation expense of right-of-use assets	132.19	77.03
Interest expense on lease liabilities	143.03	77.85
Rent expense (relating to short-term leases on which lease liability is not recognised)	63.38	44.89
Total	338.60	199.77

vii) Total cash outflow pertaining to leases

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Total cash outflow pertaining to leases during the year ended	194.16	108.35

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) and for leases of low value assets.

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.

44 REVENUE FROM CONTRACTS WITH CUSTOMERS

(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 2025	For the year ended 31 st March 2024
Revenue by geography		
Domestic	13,142.90	11,797.43
Export	17,785.57	16,090.35
Total	30,928.47	27,887.78

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Revenue from operations	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Revenue (timing)		
Revenue recognised at point in time	30,928.47	27,646.46
Revenue recognised over a period	-	241.32
Total	30,928.47	27,887.78

(b) Liabilities related to contracts with customers*

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening balance	198.78	170.87
Income recognised from advance	(159.23)	(334.93)
Advance received from customers during the year	217.90	362.84
Advance from customers (refer note 20)	257.45	198.78

(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 2025 INR 0.85 million (31st March 2024: INR 0.76 million).

(d) Contract assets*

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening balance	33.40	44.61
Adjusted during the year	10.97	11.21
Closing balance (refer note 8)	22.43	33.40

* Performance obligations pertaining to balance of contract assests 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 30th September 2020. The maximum number of Options granted under the Sona BLW ESOP Plan-2020 shall be 3,342,672 Options which shall upon exercise convert into maximum 3,342,672 Shares. The Sona BLW ESOP Plan entitles employees of the Company to excercise 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
Exercise Price	INR 38.34
Grant date	1 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 2025

(Figures in Million INR, except per share data, 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. 1st 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 Nil for the year ended 31st March 2025 (INR 8.70 million for the year ended 31st March 2024) 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	1 st October 2020	1 st October 2020	1 st October 2020
Vesting date	1 st October 2021	1 st October 2022	1 st October 2023
Expiry date	1 st October 2024	1 st October 2025	1 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 31 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	31-03-2025	31-03-2024
Options outstanding at the beginning of the period	62,488	1,130,548
Number of employees to whom options were granted	62	62
Options vested	-	1,056,900
Options exercised (including option exercised from previous Vesting)	24,704	1,043,196
Options forfeited/ lapsed/ cancelled	18,892	24,864
Option expired during the year	Nil	Nil
Options outstanding (Vested)	18,892	62,488
Options outstanding (Unvested)	-	-
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 including exercised during the year)	24,704	1,043,196

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Particulars	31-03-2025	31-03-2024
Money realised by exercise of options (in INR)	947,151	39,996,135
Options outstanding at the period end (Vested)	-	-
Options exercisable at the period end (Unvested)	18,892	62,488
Total number of options in force (excluding options not granted)	-	0
Weighted average remaining contractual life of outstanding options (in years)	1.50	2.50

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 2025 is INR 269.27 million (excluding INR 18.42 million capitalised) (31 st March 2024: INR 138.31 million (excluding INR 11.57 million capitalised))
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 2025 is Nil (31 st March 2024 was INR 5.55 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		
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	

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Particulars	Sona BLW Precision Forging Limited Employee Stock Option Plan -2023	
Grant date	25 th October 2023	15 th March 2024
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 only) Options out of which 6,926,600 (Six million nine hundred twenty-six thousand six hundred only) 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 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 269.27 million (excluding INR 18.42 million capitalised) for the year ended 31st March 2025 (31st March 2024 INR 138.31 million (excluding INR 11.57 million capitalised)) 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%
Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
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%

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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	31-03-2025	31-03-2024
Options outstanding at the beginning of the period	6,926,600	-
Number of employees to whom options were granted	91	91
Options vested	1,731,650	-
Options exercised	462,885	-
Options forfeited/ lapsed/ cancelled	-	-
Option expired during the year	-	-
Options outstanding (Vested)	1,268,765	-
Options outstanding (Unvested)	5,194,950	6,926,600
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 including exercised during the year)	1,731,650	-
Money realised by exercise of options (in INR)	235,585,321	-
Options outstanding at the period end (Vested)	5,194,950	-
Options exercisable at the period end (Unvested)	1,268,765	-
Total number of options in force (excluding options not granted)	6,463,715	6,926,600
Weighted average remaining contractual life of outstanding options (in years)	1.67	2.67

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 2025 is INR 269.27 million (excluding INR 18.42 million capitalised) (31 st March 2024: INR 138.31 million (excluding INR 11.57 million capitalised))
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 2025 is INR 181.05 (31 st March 2024 was INR 69.38 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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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 2025 and 31st March 2024, 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 1st 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 2025 and March 2024, 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

In accordance with IND AS 36 - “Impairment of Assets”, the Company has carried out commercial feasibility assessment of intangibles under development (‘IAUD’) amounting to INR 627.11 million (March 31st 2024: INR 453.29 million) and has not identified any impairment which is required to be recorded in the financial statements. (refer note 5)

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 Novellic d.o.o. Beograd Zvezdara

During the previous year, the Company had acquired 54% stake (representing 54% voting interest) of Novellic 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.

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

As on 31st March 2025 amount of INR 728.44 million (31st March 2024: INR 1397.56 million) payable under a deferred payment mechanism to founders of Novellic d.o.o. and Novellic d.o.o., as per the Share purchase agreement and shareholder agreement.

(c) Impairment of Investment in Novellic d.o.o. Beograd Zvezdara

As mentioned in the note no. 5, the Company has invested an amount of INR 3,506.37 million (March 31st 2024: INR 3,506.37 million) (for acquisition of 54% voting rights of Novellic d.o.o. Beograd Zvezdara. Test for impairment of this investment was carried out as at 31st March 2025, 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 2025 and 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 During the year, the Company raised funds through Qualified Institutional Placement (QIP) of 34,782,608 Equity Shares of the face value of INR 10 each at a premium of INR 680.00 per share aggregating to INR 24,000.00 million (INR 23,695.00 million net of issue expenses) for certain specific purposes as stated in the Placement Document. Out of the above QIP proceeds, INR 14,502.94 million has been utilised for the repayment of borrowings, purchase of fixed assets and general corporate purposes and the balance INR 9,192.06 million has been temporarily invested in approved financial instruments, pending utilisation as on 31st March 2025. The equity shares issued as a result of QIP have been considered in calculating earnings per share (EPS) for the relevant periods.

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 2025								
Foreign currency risk								
(i) Foreign exchange forward contracts*	11,421.20	15.38	-	April 2025 to March 2026	1:1	USD: 84.47 to 89.33 EUR: 90.47 to 98.73	(20.49)	20.49
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)

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, 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 31 st March 2025				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts*	45.87	(0.65)	(50.04)	Loss on foreign exchange
		-	77.27	Reclassify to revenue
For the year ended 31 st 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

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.

(iii) Movements in cash flow hedging reserve

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening	21.57	12.78
Add: Changes in fair value of forward contracts	45.87	(23.60)
Less: Amount reclassified to profit or loss	(26.58)	35.35
Less: Deferred tax relating to above (net)	(4.85)	(2.96)
Closing	36.01	21.57

Notes

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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 struck off companies during the current and previous 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

- (a) The Company has signed a Business Transfer Agreement (BTA) dated 23rd October 2024 with Escorts Kubota Limited (EKL) to acquire its Railway Equipment Division (RED) which is a leading supplier of critical components like brakes and suspension systems to Indian Railways, as a going concern on slump sale basis, for a consideration of INR 16,000.00 million, subject to the terms of the said agreement. On 10th February 2025 the agreement was amended, amongst others, to revise the timeline for transfer of certain business related registrations and conditions related therewith in order to bring forward the expected date of completion of sale/transfer of RED Business from end of September 2025 to 1st May 2025 or such other date as mutually agreed by the Parties. Parties have subsequently mutually agreed to extend the closing date to 1st June 2025 or such other date as mutually agreed by the Parties. Since all the conditions necessary for closing the transaction have not been met, no effect has been given in the financial statements with respect to this business acquisition.

The exceptional item is related to costs incurred in relation to various acquisition opportunities.

- (b) During previous financial year, the Company had completed the acquisition of 54% voting rights in Novelic 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 Novelic d.o.o., as per the Share purchase agreement and shareholder agreement. The exceptional item is related to diligence work and other expenses incurred on 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 2025

(Figures in Million INR, except per share data, unless stated otherwise)

51 RATIOS

Particulars	Numerator (refer notes below)	Denominator (refer notes below)	As at 31 st March 2025	As at 31 st March 2024	Reason for more than 25 % Change
a) Current Ratio	Current Assets (CA)	Current Liabilities (CL)	6.86	1.80	Due to fund raised from QIP
b) Debt-Equity Ratio	Debt	Equity	-	0.09	Due to repayment of borrowings
c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	2.17	15.49	Due to repayment of borrowings
d) Return on Equity Ratio/ Return on investment	Profit after tax	Average Shareholder Equity	16.73%	25.83%	Due to fund raised from QIP
e) Inventory turnover ratio	Revenue from Operation	Average Inventory	10.42	9.97	NA
f) Trade Receivables turnover ratio	Revenue from Operation	Average Receivables	5.33	4.95	NA
g) Trade payables turnover ratio	Revenue from Operation	Average Payables	11.46	11.56	NA
h) Net capital turnover ratio	Revenue from Operation	Average Working Capital	5.09	4.63	NA
i) Net profit ratio	Profit after tax	Revenue from Operation	17.97%	16.75%	NA
j) Return on Capital employed	Earning before interest and tax	Average Capital employed	21.28%	30.14%	Due to fund raised from QIP

- 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 2025

(Figures in Million INR, except per share data, unless stated otherwise)

52 RECONCILIATION OF QUARTERLY BANK RETURN

Quarter	Particulars	FY 2024-25		FY 2023-24	
		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	5,775.14	5,775.14	5,514.54	5,514.54
Quarter 1	Inventory	3,208.61	3,208.61	2,750.30	2,750.30
Quarter 1	Trade Payables	2,915.39	2,915.39	2,278.21	2,278.21
Quarter 2	Trade Receivable	6,131.29	6,131.29	6,177.09	6,177.09
Quarter 2	Inventory	3,124.35	3,124.35	2,954.49	2,954.49
Quarter 2	Trade Payables	3,151.24	3,151.24	2,736.04	2,736.04
Quarter 3	Trade Receivable	6,400.04	6,400.04	5,308.07	5,308.07
Quarter 3	Inventory	3,199.14	3,199.14	3,137.84	3,137.84
Quarter 3	Trade Payables	2,692.76	2,692.76	2,340.23	2,340.23
Quarter 4	Trade Receivable	6,281.64	6,281.64	5,821.37	5,821.37
Quarter 4	Inventory	3,076.51	3,076.51	3,115.91	3,115.91
Quarter 4	Trade Payables	2,934.72	2,934.72	2,693.79	2,693.80

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.

54 Authorisation of Standalone financial statements

The Standalone financial Statements for the year ended 31st March 2025 were approved by the Board of Directors on 30th April 2025.

This is the summary of material accounting policy information and other explanatory information form an integral part of these Standalone financial statements.

For **Walker Chandiok & 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

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 2025

Place: Gurugram
Date: 30th April 2025

Independent Auditor’s Report

To the Members of **Sona BLW Precision Forgings Limited**

Report on the Audit of the Consolidated Financial Statements

OPINION

1.

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 2025, 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 material accounting policy information and other explanatory information.
2.

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 2025, and their consolidated profit (including other comprehensive income), consolidated

cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

3.

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

4.

Key audit matters are those matters that, in our professional judgment 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.

5.

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
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 31 st March 2025. 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.	Our audit procedures included, but were not limited to the following: a) Obtained an understanding from the management with respect to its impairment assessment process, assumptions used and estimates made by the management; b) Evaluated the design and tested the operating effectiveness of controls related to aforementioned process of impairment testing; c) 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; d) 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;

Key audit matters	How our audit addressed the key audit matter
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 Ind AS 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 31 March 2025. 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.	e) 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; f) 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; g) Performed sensitivity analysis on these key assumptions to assess the degree of estimation uncertainty involved in the estimates and h) 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 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, and 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 judgments 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.
- 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.
 - 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

- 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.

- As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act we exercise professional judgment 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 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 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 consolidated 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 consolidated financial statements,

including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information 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 consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated 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.
- 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.
 - 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.
 - From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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

- We did not audit the financial statements of 9 subsidiaries, whose financial statements reflects total assets of INR 3,682.54 million as at 31st March 2025, total revenues of INR 2,011.83 million and net cash outflows amounting to INR 327.98 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

- 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 their respective 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.
- 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 2025 and covered under the Act we report that following are the adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31st March 2025 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 (xvi) and 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) 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), 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;

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 Holding Company and its subsidiaries, are disqualified as on 31st March

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

2025 from being appointed as a director in terms of Section 164(2) of the Act.
- were any material foreseeable losses as at 31st March 2025;
- 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 2025;

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 during the year ended 31st March 2025 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 2025 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 2025 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
- 320

Sona Comstar Annual Report 2024-25
- 321

Company, and its subsidiaries in respect of financial year commencing on 1st April 2024, 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. Furthermore, the audit trail has been preserved by the Holding

Company and its subsidiaires as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Arun Tandon

Partner

Membership No.: 517273

UDIN: 25517273BMICZU8661

Place: New Delhi

Date: 30th April 2025

Annexure I

List of entities included in the Statement

Sr. No.	Name of the holding Company
1	Sona BLW Precisions Forgings Limited
Sr. No.	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*
15.	Novelic GMBH **

* Acquired as on 6th September 2023.

** incorporated as on 20th June 2024.

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 2025, 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

3. 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.

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 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

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 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 2025, based on 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: 25517273BMICZU8661

Place: New Delhi
Date: 30 April 2025

Consolidated Balance Sheet

as at 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Note No.	As at 31 st March 2025	As at 31 st March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	11,317.76	9,117.30
Right-of-use assets	4	2,413.10	2,397.87
Capital work-in-progress	4	1,084.61	946.01
Goodwill	5	3,518.31	3,518.31
Other intangible assets	5	4,023.21	4,471.91
Intangible assets under development	5	3,110.04	2,690.48
Financial assets			
(i) Investments	6	456.94	100.37
(ii) Other financial assets	7	539.53	110.23
Income tax assets (net)	8	59.42	271.61
Other non-current assets	9	727.28	953.29
Total non-current assets		27,250.20	24,577.38
Current assets			
Inventories	10	3,486.87	3,474.91
Financial assets			
(i) Investments	6	8,184.52	316.40
(ii) Trade receivables	11	7,051.93	6,482.63
(iii) Cash and cash equivalents	12	10,475.11	910.05
(iv) Bank balances other than (iii) above	13	2,540.87	1,831.59
(v) Other financial assets	7	5,096.69	25.53
Other current assets	9	1,284.60	1,030.64
Total current assets		38,120.59	14,071.75
Total assets		65,370.79	38,649.13
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14(A)	6,217.18	5,864.48
Other equity	15 (A)	48,730.52	20,638.80
Non-controlling interest	15 (B)	1,499.48	1,497.77
Total equity		56,447.18	28,001.05
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16 (i)	79.70	292.05
(ii) Lease liabilities	43	1,783.52	1,691.73
(iii) Other financial liabilities	17	2.24	508.71
Provisions	18	316.38	252.60
Deferred tax liabilities (net)	19	1,251.52	1,261.19
Total non-current liabilities		3,433.36	4,006.28
Current liabilities			
Financial liabilities			
(i) Borrowings	16 (ii)	54.92	2,038.54
(ii) Lease liabilities	43	104.22	99.01
(iii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises		453.28	519.88
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,785.19	2,461.17
(iv) Other financial liabilities	17	1,566.87	1,046.03
Other current liabilities	21	363.04	308.63
Provisions	18	97.60	77.01
Current tax liabilities (net)	22	65.13	91.53
Total current liabilities		5,490.25	6,641.80
Total liabilities		8,923.61	10,648.08
Total equity and liabilities		65,370.79	38,649.13
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 Chandiok & 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
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

Consolidated Statement of Profit and Loss

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	Note No.	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Income			
Revenue from operations	23	35,460.21	31,847.70
Foreign exchange gain (net)		85.14	0.12
Other income	24	1,269.16	239.48
Total income		36,814.51	32,087.30
Expenses			
Cost of materials consumed	25 (b)	15,240.00	14,058.29
Changes in inventories of finished goods and work-in-progress	25 (b)	206.99	(316.94)
Employee benefits expense	26	3,150.25	2,501.34
Finance costs	27	301.73	257.98
Depreciation and amortisation expense	28	2,543.95	2,202.25
Other expenses	29	7,195.39	6,584.16
Total expenses		28,638.31	25,287.08
Profit before exceptional items and tax		8,176.20	6,800.22
Exceptional item	30	192.85	87.16
Profit before tax		7,983.35	6,713.06
Tax expense	31		
- Current tax		1,982.55	1,566.51
- Tax related to previous years		(7.06)	(27.91)
- Deferred tax (credit)		10.98	(3.30)
Total tax expense		1,986.47	1,535.30
Profit for the year		5,996.88	5,177.76
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements (losses)/gains on defined benefit plans		(11.23)	(23.37)
Income tax relating to above mentioned item		2.83	5.89
Exchange difference on translation of foreign subsidiaries		36.54	36.61
<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 (refer note 48)		19.29	11.75
Income tax relating to above mentioned item		(4.85)	(2.96)
Other comprehensive income for the year		42.58	27.92
Total comprehensive income for the year		6,039.46	5,205.67
Profit attributable to:			
a) Owners of the parent		6,012.13	5,172.67
b) Non-controlling interests		(15.25)	5.09
Other comprehensive income attributable to:			
a) Owners of the parent		25.62	22.70
b) Non-controlling interests		16.96	5.22
Total comprehensive income attributable to:			
a) Owners of the parent		6,037.75	5,195.37
b) Non-controlling interests		1.71	10.31
Earnings per equity share of face value of INR 10 each			
Earnings per share (Basic) (in INR)	38	9.92	8.83
Earnings per share (Diluted) (in INR)	38	9.92	8.83
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 Chandiok & 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
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

Consolidated Cash Flow Statement

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
A. Cash flows from operating activities		
Profit before income tax	7,983.35	6,713.05
<i>Adjustments for:</i>		
Depreciation and amortisation expense	2,543.96	2,202.25
Loss on sale of property plant and equipment (net)	1.30	2.00
(Reversal)/Allowance for doubtful receivables	-	(46.19)
Share-based payments	294.34	158.85
Unwinding of discount on fair valuation of security deposits	(1.52)	(1.35)
Provision for slow moving inventory	21.82	6.24
Fair value loss/(gain) on derivatives	25.63	(11.68)
Profit on sale of investments	(405.95)	-
Provision for warranty	90.28	42.13
Unwinding of discount on deferred payment liabilities	33.45	27.74
Finance costs	257.85	251.72
Interest income	(805.41)	(209.17)
Unrealised foreign exchange loss/(gain) (net)	8.20	(11.07)
Operating profit before working capital changes	10,047.30	9,124.52
Changes in working capital		
Movement in inventories	(26.13)	(214.29)
Movement in trade receivables	(549.28)	(387.79)
Movement in financial assets	(0.30)	(41.18)
Movement in other assets	(262.91)	(724.40)
Movement in trade payables	245.74	354.64
Movement in financial liabilities	(13.62)	104.96
Movement in provisions	(18.35)	170.29
Movement in other liabilities	69.16	93.42
Cash generated from operations	9,491.61	8,480.17
Direct taxes paid	(1,739.70)	(1,552.66)
Net cash flow generated from operating activities - Total (A)	7,751.91	6,927.51
B. Cash flows from investing activities		
Payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances/payables (refer note 43)	(4,171.32)	(3,195.31)
Proceeds from sale of property, plant and equipment	16.25	4.07
Fixed deposits created during the year	(29,682.47)	(4,858.54)
Fixed deposits matured during the year	23,650.77	3,274.01
(Purchase)/Sale of current investment (net)	(7,476.28)	1,966.94
Purchase of Non-current investment (includes INR 264.17 million (previous year INR 2,147.32 million for acquisition of subsidiary, net of cash acquired))	(592.74)	(2,110.41)
Interest received	601.96	204.03
Net cash (used) in investment activities - Total (B)	(17,653.83)	(4,715.21)

Consolidated Cash Flow Statement

for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
C. Cash flows from financing activities		
(Repayment)/Proceeds from short-term borrowings (net)	(1,712.30)	195.15
Repayment of long-term borrowings	(3,442.99)	(100.76)
Proceeds from long-term borrowings	2,956.25	-
Repayment of deferred payment liabilities	(33.45)	(27.74)
Repayment of principal amount of lease liabilities	(114.33)	(61.03)
Interest paid on lease liabilities	(160.36)	(87.24)
Dividend paid	(1,892.03)	(1,792.94)
Proceeds from issue of equity shares [including securities premium (net)]	23,931.53	40.00
Increase in investment by minority shareholders	-	260.02
Interest paid	(95.91)	(172.92)
Net cash flow from/(used) in financing activities - Total (C)	19,436.41	(1,747.46)
D. Net increase in cash and cash equivalents (A)+(B)+(C)	9,534.49	464.84
E. Cash and cash equivalents at the beginning of the year	910.05	441.08
F. Effect of exchange differences on cash and cash equivalents	30.57	4.14
G. Cash and cash equivalents at the end of the period (D)+(E)+(F)	10,475.11	910.05
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	615.12	555.94
Cash on hand	0.06	0.10
Cheque on hand	-	2.29
Bank deposits with original maturity of less than three months	9,859.93	351.72
Balances per statement of cash flows	10,475.11	910.05

Note: The above statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The summary of material accounting policies and other explanatory information form 1 to 54 an integral part of these consolidated financial statements.

This is the consolidated statement of cash flows referred to in our report of even date.

For **Walker ChandioK & 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
Membership No.: FCS 5253

Place: New Delhi
Date: 30th April 2025

Place: Gurugram
Date: 30th April 2025

Consolidated Statement of Changes in Equity

for the year ended 31st March 2025

A. EQUITY SHARE CAPITAL

(Figures in Million INR, except per share data, unless stated otherwise)

	Reserve and Surplus					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
	General reserve	Securities premium	Capital redemption reserve	Employee's stock options reserve	Retained earnings							
Balance as at 1 st 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
Equity share issued during the year (refer note 14)	-	-	-	-	-	-	-	-	-	-	-	5,854.05
Balance as at 31 st March 2024	-	-	-	-	-	-	-	-	-	-	1,487.46	10.43
Equity share issued during the year (refer note 14)	-	-	-	-	5,172.68	-	-	-	-	5,172.68	5.09	5,864.48
Balance as at 31 st March 2025	-	-	-	-	-	-	8.79	-	-	8.79	-	352.70
												6,217.18

B. OTHER EQUITY

	Reserve and Surplus					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
	General reserve	Securities premium	Capital redemption reserve	Employee's stock options reserve	Retained earnings							
Balance as at 1 st 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	-	-	-	-	5,172.68	-	-	-	-	5,172.68	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	-	8.79
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	(17.48)	-	-	-	-	(17.48)	-	(17.48)
Dividend paid	-	-	-	-	(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 31 st 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
Balance as at 1 st April 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

Consolidated Statement of Changes in Equity

for the year ended 31st March 2025

	Reserve and Surplus					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
	General reserve	Securities premium	Capital redemption reserve	Employee's stock options reserve	Retained earnings							
Net profit for the year	-	-	-	-	6,012.13	-	-	-	-	6,012.13	(15.25)	5,996.88
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (net of tax) (refer note 48)	-	-	-	-	-	-	14.44	-	-	14.44	-	14.44
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	(8.40)	-	-	-	-	(8.40)	-	(8.40)
Dividend paid (refer note 35)	-	-	-	-	(1,893.39)	-	-	-	-	(1,893.39)	-	(1,893.39)
Premium on fresh issue of equity shares	-	23,652.17	-	-	-	-	-	-	-	23,652.17	-	23,652.17
Premium used for expenses related to fund raising	-	(230.42)	-	-	-	-	-	-	-	(230.42)	-	(230.42)
Employee stock option reserve created during the year	-	-	-	293.93	-	-	-	-	-	293.93	-	293.93
Impact on exercise of ESOPs grants (Refer note 45)	-	39.18	-	(39.18)	-	-	-	-	-	-	-	-
Premium on ESOPs Issue	-	231.66	-	-	-	-	-	-	-	231.66	-	231.66
Foreign currency translation during the year	-	-	-	-	-	-	-	19.59	-	19.59	16.96	36.54
Balance as at 31 st March 2025	120.00	29,373.41	25.93	409.86	18,186.46	(368.33)	36.01	209.95	737.23	48,730.52	1,499.48	50,230.00

This is the Consolidated statement of changes in equity referred to in our report of even date.

For **Walker Chandlok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076/NIN500013

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
Membership No.: FCS 5253

Place: Gurugram
Date: 30th April 2025

Place: New Delhi
Date: 30th April 2025

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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 2025	Proportion of ownership (%) as at 31 st March 2024
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 nd September 2023)	Mexico	Auto ancillary business	100%	100%
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 6 th September 2023)	Serbia	ER&D Services	54%	54%
NOVELIC SRL (w.e.f. from 6 th September 2023)	Romania	ER&D Services	*	*
NOVELIC ESC DOOEL SKOPJE (w.e.f. from 6 th September 2023)	North Macedonia	ER&D Services	*	*
NIRSEN D.O.O (w.e.f. from 6 th September 2023)	Serbia	ER&D Services	*	*
NOVELIC GMBH (w.e.f. from 20 th June 2024)	Germany	ER&D Services	*	Nil

*subsidiary of NOVELIC d.o.o. Beograd.

3. MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the material accounting policy information 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 Policy and other explanatory information for the year then ended

(hereinafter referred to as “Consolidated Financial Statements”). The Consolidated Financial Statements has been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the “Act”) (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 policy information and measurement

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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.

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 31st March 2025. 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)
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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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

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 category	Useful life (in years)
Computer software	1 to 6
Technical knowhow	6
Brand	Indefinite
Customer Relationship	15
Goodwill	Indefinite
Technology development expenditure	5

The remaining amortisation period for material individual intangible assets is 0-14 years.

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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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 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/any other incentive 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/conditions met 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:

- Identifying the contract with customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- 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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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 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:

a) 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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

b) 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:

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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

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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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 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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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 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.		• 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.	
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.		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.	
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;		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	

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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.		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.	
t) 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.			
u) 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.		w) 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	
v) Foreign currency transactions Items included in the financial statements are measured using the currency of the primary economic environment			

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

3. (B) APPLICATION OF NEW AND REVISED INDIAN ACCOUNTING STANDARD (IND AS)

For the year ended 31st March 2025, MCA has not notified any new standards applicable to the Company.

Recent Indian Accounting Standards (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 1st April 2024:

1. Amendments to Ind AS 116 - Lease liability in a sale and leaseback
2. Introduction of Ind AS 117
3. The amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the Group Consolidated Financial Statements.

3. (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 judgment, 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 judgments 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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

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 judgment 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.

4 PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS (CWIP) AND RIGHT OF USE ASSET (ROU)

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, 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	Capital work-in-progress	Right-of-use assets	Total
											Leasehold land	Building
Gross block as at 1 st 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	925.43	830.63
Add: Effect of business combination (Refer note 49)	-	-	47.50	-	10.35	-	-	-	57.85	-	-	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	925.43	1,056.51
Additions	-	93.94	2,119.70	25.40	32.83	41.68	84.45	1.07	2,399.05	2,627.27	-	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
Gross block as at 31 st 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	925.43	1,896.03
Accumulated depreciation as at 1 st 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	-	-	-
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
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
Disposals	-	-	(95.30)	(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)
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
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	946.01	871.09	1,526.79
Gross block as at 1 st April 2024	26.65	1,269.56	11,254.51	120.37	190.34	234.56	250.87	154.88	13,501.74	946.01	925.43	1,896.03
Additions	-	139.06	3,613.80	38.87	26.86	48.62	75.97	26.77	3,969.95	3,917.29	-	251.14
Disposals	-	-	(45.76)	(1.85)	-	(12.46)	(30.86)	-	(90.93)	-	-	(49.06)
Transfer on capitalisation [#]	-	-	-	-	-	-	-	-	-	(3,778.69)	-	-
Foreign currency translation reserve	(0.24)	1.02	(0.60)	(0.49)	0.06	(0.25)	(0.86)	-	(1.36)	-	-	7.57
Gross block as at 31 st March 2025	26.41	1,409.64	14,821.95	156.90	217.26	270.47	295.12	181.65	17,379.40	1,084.61	925.43	2,105.68
Accumulated depreciation as at 1st April 2024	-	204.26	3,710.26	52.12	96.13	162.79	83.42	75.45	4,384.44	-	54.34	369.24
Depreciation charge during the year [*]	-	53.49	1,548.54	15.47	19.55	48.43	48.66	16.50	1,750.64	-	2.64	191.79
Disposals	-	-	(43.12)	(1.85)	-	(12.36)	(16.05)	-	(73.38)	-	-	-
Foreign currency translation reserve	-	0.28	1.35	1.48	0.03	(0.98)	(2.22)	-	(0.06)	-	-	-
Accumulated depreciation as at 31 st March 2025	-	258.03	5,217.03	67.22	115.71	197.88	113.81	91.95	6,061.64	-	56.98	561.03
Net carrying amount as at 31 st March 2025	26.41	1,151.61	9,604.92	89.68	101.55	72.59	181.31	89.70	11,317.76	1,084.61	868.45	1,544.65

*Refer point (vii) below.

[#] Transfer on capitalisation also includes amount transferred to intangible assets.



Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

CWIP aging schedule as at 31st Marc, 2025

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	1,003.41	59.96	21.24	-	1,084.61

*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 otherthan stated in point (vi) below.

CWIP aging schedule as at 31st Marc, 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
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 otherthan stated in point (vi) below.

Notes:

- (i) Building (gross block) amounting INR 1,213.69 million (31st March 2024: INR 1,102.27 million), net block INR 896.82 million (31st March 2024:INR 824.55 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 INR 648.15 million (March 31 2024: INR 425.44 million) relating to development.
- (v) Property, plant and equipment (net carrying amount) of INR 148.10 million (31st March 2024: INR 134.94 million) and capital work-in-progress of INR 24.63 million (31st March 2024: INR 26.29 million) is lying with job workers.
- (vi) Capital work-in-progress includes amount of INR 22.83 million (31st March 2024: INR 22.05 million) pertaining to projects in progress which have crossed the budgeted period.
- (vii) Depreciation charge during the year includes amount of INR 13.34 million (31st March 2024: Nil) capitalised to research & development during the year.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, 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 1 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 1 st April 2023	191.73	26.94	429.20	-	999.51	1,647.38	-	-
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
Gross block as at 1 st April 2024	448.02	31.15	1,341.00	687.40	4,196.44	6,704.01	2,690.48	3,518.31
Additions	88.28	-	75.33	-	-	163.61	596.45	-
Disposals	-	-	-	-	-	-	(27.06)	-
Transfer to intangible assets	-	-	-	-	-	-	(160.78)	-
Foreign currency translation reserve	-	-	-	-	-	-	10.95	-
Gross block as at 31 st March 2025	536.30	31.15	1,416.33	687.40	4,196.44	6,867.62	3,110.04	3,518.31
Accumulated amortisation as at 1 st April 2024	273.87	28.62	641.04	-	1,288.58	2,232.10	-	-
Amortisation charge for the year	63.71	0.54	243.01	-	305.05	612.31	-	-
Closing accumulated amortisation as at 31 st March 2025	337.58	29.16	884.05	-	1,593.63	2,844.41	-	-
Net carrying amount as at 31 st March 2025	198.72	1.99	532.28	687.40	2,602.81	4,023.21	3,110.04	3,518.31

Refer note 46

Intangible assets under development aging schedule for the year ended 31st March 2025

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	518.81	2,435.26	129.09	26.88	3,110.04

*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 2024

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

6 INVESTMENTS

	As at 31 st March 2025	As at 31 st March 2024
At Cost, Unquoted investments, Investment in equity shares of other than subsidiary companies (non-current)		
9,553 (31 st March 2024: 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 2024: 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 2024: 927,639) equity shares of C-Motive Technologies, Inc.	46.29	45.62
42,716 (31 st March 2024: 42,716) equity shares of INR 10 each in Clean Max Calypso Private Limited	54.75	54.75
17,805 (31 st March 2024: Nil) equity shares of INR 10 each in Clean Max Nova Private Limited	14.00	-
16,103,060 (31 st March 2024: Nil) Series B+ preferred stock of Clear Motion, Inc. par value of USD 0.01	341.90	-
Aggregate amount of unquoted non-current investments	456.94	100.37
Aggregate amount of unquoted investments at market value	456.94	100.37
Aggregate amount of impairment of unquoted investments	328.28	328.28

	As at 31 st March 2025	As at 31 st March 2024
Investment (current)		
At fair value through profit and loss - Quoted Investment		
215 (31 st March 2024: 76,312.99) of HDFC Overnight Fund - Regular	0.82	278.23
185,396 (31 st March 2024: Nil) of Axis Overnight Fund - Regular	250.50	-
18,833 (31 st March 2024: Nil) of SBI Overnight Fund - Regular	78.22	-
84,150,909 (31 st March 2024: Nil) Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund	1,013.28	-
79,098,779 (31 st March 2024: Nil) HDFC Nifty G-sec Dec 2026 Index Fund	943.58	-
85,811,549 (31 st March 2024: Nil) SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	1,034.01	-
36,336,507 (31 st March 2024: Nil) SBI CRISIL IBX Gilt Index April 2029 Fund	445.57	-
59,272,114 (31 st March 2024: Nil) Aditya Birla Sun Life CRISIL IBX 60:40 SDL plus AAA PSU - Apr 2027 Index Fund	709.56	-
85,216,025 (31 st March 2024: Nil) Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund	1,034.97	-
27,937,956 (31 st March 2024: Nil) Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund	339.49	-
80,638,565 (31 st March 2024: Nil) Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund	963.69	-
85,328,745 (31 st March 2024: Nil) Axis CRISIL IBX SDL May 2027 Index Fund - Direct	1,026.28	-
5,764 (31 st March 2024: Nil) Mirae Asset Overnight Fund - Direct plan growth	7.55	-
7,735,626 (31 st March 2024: Nil) HDFC Nifty G-Sec Dec 2026 Index Fund - Regular	91.94	-
225,116 (31 st March 2024: Nil) 100% U.S. Treas Sec. Mmkt - Morgan	19.24	-
Raiffeisen EURO Cash UCITS Fund	225.83	-
JP Morgan 100% US Treasury Securities Money Market Fund	-	38.17
	8,184.52	316.40
Aggregate amount of quoted investments at market value	8,184.52	316.40

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

7 OTHER FINANCIAL ASSETS

	As at 31 st March 2025	As at 31 st March 2024
Unsecured, considered good		
Non-current		
Security deposits	107.08	110.23
Fixed deposits with banks with maturity period of more than 12 months	432.45	-
Total other financial assets	539.53	110.23
Current		
Forward contract receivables (refer note 34 and 48)	4.35	18.10
Other financial assets	-	7.43
FD with original maturity more than 12 months and remaining as at reporting date is less than 12 months	5,092.34	-
Total other financial assets	5,096.69	25.53

Note:

- i) The exposure to financial risks and fair value measurement related to these financial instruments is described in note 33 and 34

8 INCOME TAX ASSETS (NET)

	As at 31 st March 2025	As at 31 st March 2024
Non-current		
Prepaid taxes*	59.42	271.61
	59.42	271.61

*Amount paid under protest of INR 17.47 million (31st March 2024: INR 17.47 million).

9 OTHER ASSETS

	As at 31 st March 2025	As at 31 st March 2024
Non-current		
Prepaid expenses	8.78	18.37
Un-adjusted consideration for revenue contract	11.21	22.18
Capital advances	278.26	454.56
Other assets	429.03	458.18
Total other assets - non-current	727.28	953.29
Current		
Prepaid expenses	191.05	137.50
Loans and advances to employees	11.87	4.90
Advance to suppliers for goods and services	282.38	290.64
Balance with government authorities	653.17	459.83
Un-adjusted consideration for revenue contract	11.21	11.21
Other assets	155.30	146.94
Less: Allowance for doubtful advances	(20.38)	(20.38)
Total other assets - current	1,284.60	1,030.64

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

10 INVENTORIES

	As at 31 st March 2025	As at 31 st March 2024
Raw materials and components *	1,213.55	1,032.70
Work-in-progress**	372.37	405.19
Finished goods***	1,470.05	1,644.21
Stores and spares	163.71	138.77
Loose tools	44.94	45.38
Dies, jigs and fixtures	212.10	193.69
Scrap	10.15	14.97
Total	3,486.87	3,474.91

Total inventory is net of 'provision for obsolete and slow moving inventory' amounting to INR 93.88 million (31st March 2024: INR 72.06 million).

* Includes raw materials and components in transit amounting INR 87.10 million (31st March 2024: INR 89.56 million).

** Includes raw materials and components with the vendors sent for job work INR 11.01 million (31st March 2024: INR 12.65 million).

*** Includes inventory with the vendors sent for job work INR 111.66 million (31st March 2024: INR 153.63 million).

*** Includes goods in transit INR 535.46 million (31st March 2024: INR 656.82 million).

The cost of inventories recognised as an expense during the year are disclosed in Note 25 & 29.

11 TRADE RECEIVABLES

	As at 31 st March 2025	As at 31 st March 2024
Unsecured		
Trade receivables considered good	7,051.93	6,482.63
Trade receivables - credit impaired	5.07	5.07
Less: Allowances for expected credit loss	(5.07)	(5.07)
Total trade receivables	7,051.93	6,482.63

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 2025

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	6,136.57	878.56	34.48	1.67	0.66	-	7,051.93
(ii) Trade receivables - credit impaired	-	-	-	-	0.25	4.82	5.07

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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

12 CASH AND CASH EQUIVALENTS

	As at 31 st March 2025	As at 31 st March 2024
Balance with banks		
- in current accounts*	615.12	555.94
Cash on hand	0.06	0.10
Cheque on hand	-	2.29
Bank deposits with original maturity of less than three months	9,859.93	351.72
Total cash and cash equivalents	10,475.11	910.05

* Includes INR 7.97 million (31st March 2024: INR 0.30 million) for amount earmarked for corporate social responsibility.

13 OTHER BANK BALANCES

	As at 31 st March 2025	As at 31 st March 2024
Bank deposits with original maturity of more than three months but residual maturity of less than twelve months	2,540.87	1,831.59
Total other bank balances	2,540.87	1,831.59

14 (A) EQUITY SHARE CAPITAL

	As at 31 st March 2025	As at 31 st March 2024
Authorised share capital		
1,148,500,000 (31 st March 2024: 1,148,500,000) equity shares of INR 10 each	11,485.00	11,485.00
Issued, subscribed and paid up share capital		
621,717,975 (31 st March 2024: 586,447,778) equity shares of INR 10 each fully paid up	6,217.18	5,864.48

i) Reconciliation of shares outstanding at the beginning and at the end of the year

Number of shares	As at 31 st March 2025	As at 31 st March 2024
Equity shares outstanding at the beginning of the year	586,447,778	585,404,582
Add: Issue of shares (refer note 45 and 47)	35,270,197	1,043,196
Equity shares outstanding at the end of the year	621,717,975	586,447,778

Amount	As at 31 st March 2025	As at 31 st March 2024
Equity shares outstanding at the beginning of the year	5,864.48	5,854.05
Add: Issue of shares	352.70	10.43
Equity shares outstanding at the end of the year	6,217.18	5,864.48

ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR 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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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 2025	As at 31 st March 2024
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	174,208,904	174,208,904
Axis Mutual Fund	18,185,809	39,675,502
Government Of Singapore	42,535,803	38,283,615
Sbi Mutual Fund	53,564,349	34,400,633

Percentage	As at 31 st March 2025	As at 31 st March 2024
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	28.02%	29.71%
Axis Mutual Fund	2.93%	6.77%
Government Of Singapore	6.84%	6.53%
Sbi Mutual Fund	8.62%	5.87%

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 2025 and five years immediately preceeding the year ended 31 March 2025.

v) Promoters shareholding

Shareholding of promoters as on 31st March 2025

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	28.02	(1.69)
*Rani Kapur- RK Family Trust	72	**	-
*Ashok Sachdev	151	**	-
*Jasbir Sachdev	361	**	-
*Charu Sachdev	423	**	-
*Raghuvanshi Investment Private Limited	744	**	-
Total	174,210,655	28.02	(1.69)

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)

* Promoter Group

** Percentage is negligible

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

14 (B) PREFERENCE SHARE CAPITAL

	As at 31 st March 2025	As at 31 st March 2024
Authorised share capital		
1,500,000 (31 st March 2024: 1,500,000) preference shares of INR 10 each	15.00	15.00
Issued, subscribed and paid up share capital		
Nil (31 st March 2024: Nil) Compulsorily convertible preference shares of INR 10 each fully paid up	-	-

15 (A) OTHER EQUITY

	As at 31 st March 2025	As at 31 st March 2024
Retained earnings	18,186.46	14,076.12
General reserve	120.00	120.00
Securities premium (net)	29,373.41	5,680.81
Capital redemption reserve	25.93	25.93
Equity instruments through other comprehensive income	(368.33)	(368.33)
Employee's stock options reserve	409.86	155.11
Foreign currency translation reserve	209.95	190.36
Cash flow hedge reserve (net of tax) (refer note 48)	36.01	21.57
Merger Reserve	737.23	737.23
Total reserves and surplus	48,730.52	20,638.80

a) Retained earnings

	As at 31 st March 2025	As at 31 st March 2024
Opening balance	14,076.12	10,713.86
Net profit for the year	6,012.13	5,172.68
Remeasurement of defined benefit obligations, net of tax	(8.40)	(17.48)
Less:-Dividend paid	(1,893.39)	(1,792.94)
Closing balance	18,186.46	14,076.12

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 2025	As at 31 st March 2024
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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

c) Securities premium

	As at 31 st March 2025	As at 31 st March 2024
Opening balance	5,680.81	5,601.48
Premium on fresh issue of equity shares	231.66	29.55
Add: Premium on fresh issue of equity shares (refer note 47)	23,652.17	-
Add: Impact on ESOP shares issuance	39.18	49.78
Less: Expense related to capital raising	(230.42)	-
Closing balance	29,373.41	5,680.81

- (i) Securities premium represents premium received on issuance of shares. The balance is utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) During the year, the Company incurred INR 305 million as expenses in connection with funds raised through Qualified Institutional Placement (QIP) aggregating to INR 24,000.00 million. In accordance with the provisions of Section 52 of the Companies Act, 2013 and the treatment provided under Ind AS 32 (Financial Instruments: Presentation) as well as Ind AS 12 (Income Taxes), as sum of INR 230.42 million (after reducing Income taxes of INR 74.58 million) has been adjusted against the Securities Premium.

d) Capital redemption reserve

	As at 31 st March 2025	As at 31 st March 2024
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 2025	As at 31 st March 2024
Opening balance	737.23	737.23
Movement during the year	-	-
Closing balance	737.23	737.23

Merger Reserve was 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 2025	As at 31 st March 2024
Opening balance	(368.33)	(368.33)
Add: Net changes in fair values of equity instruments carried at fair value through other comprehensive income	-	-
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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

g) Employee’s stock options outstanding reserve

	As at 31 st March 2025	As at 31 st March 2024
Opening balance	155.11	46.03
Add: Created during the year (refer note 45)	293.93	158.86
Less: Utilised during the year	(39.18)	(49.78)
Closing balance	409.86	155.11

This reserve represents the shared based compensation expense recorded with 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 2025	As at 31 st March 2024
Opening balance	190.36	158.97
Exchange difference reclassified to profit or loss on disposal of subsidiary	-	-
Currency translation during the year	19.59	31.39
Closing balance	209.95	190.36

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 2025	As at 31 st March 2024
Opening balance	21.57	12.78
Add: Changes in fair value of hedge instruments	45.87	(23.60)
Less: Amount reclassified to statement of profit and loss	(26.58)	35.35
Less: Deferred tax relating to above	(4.85)	(2.96)
Closing balance	36.01	21.57

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 2025	As at 31 st March 2024
Opening balance	1,497.77	-
Effect of business combination (Refer note 49)	-	1,487.46
Movement during the year	1.71	10.31
Closing balance	1,499.48	1,497.77

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

16 BORROWINGS

(i) Non-current borrowings

	As at 31 st March 2025	As at 31 st March 2024
Secured		
Term loans from banks		
Indian rupee loans	79.70	486.75
	79.70	486.75
Less: Amount disclosed under current borrowings (refer note (ii) below)	-	(194.70)
Total non-current borrowings	79.70	292.05

Notes:

- i) 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.
- ii) Repayment schedule and Interest rates for the above Term Loans are as follows:

a) Term loan from HDFC bank as on 31st March 2024 was amounting to INR 333.33 million was repayable in 12 quarterly instalments w.e.f. October 2023.

b) Term loan from Citi bank as on 31st March 2024 was amounting to INR 62.50 million was repayable in 16 quarterly instalments w.e.f. December 2022.

c) Term loan from Citi bank as on 31st March 2024 was amounting to INR 90.92 million was repayable in 11 quarterly instalments w.e.f. March 2024.

d) Term loan from CITI Bank, China amounting to INR 79.70 million (31st March 2024: Nil) is repayable in 16 Quarterly Installments w.e.f 30th July 2025 with Interest of 1Y LPR + 115 bps @ effective rate is 4.60% p.a. (31st March 2024: Nil).

The interest rate for the above term loans from banks as at 31st March 2024 was a floating interest rate linked with T-bill current effective rate in the range of 8.09%-8.87% p.a.

(ii) Current borrowings

	As at 31 st March 2025	As at 31 st March 2024
Secured		
Indian Rupee loans repayable on demand from banks (refer note (a) below)	54.92	1,737.95
Indian Rupee loans repayable on demand from NBFC (refer note (b) below)	-	105.89
Current Maturities of non-current borrowings (refer note (i) above)	-	194.70
Total current borrowings	54.92	2,038.54

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:

- i) Cash credit as on 31st March 2024 was amounting to INR 9.23 million was repayable on demand carries interest @ floating rate linked with T-bill current year effective rate was 9.15 % p.a.
- ii) EPC as on 31st March 2024 was amounting to 1,728.72 million was repayable on demand carries interest @ floating rate linked with T-bill current year effective rate was the range of 5.18% - 5.54% p.a.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

- iii) WCDL from Citi Bank,China amounting to INR 54.92 million (31st March 2024: Nil) is repayable on demand carries with Tenure of 1 year with Interest of 1Y LPR + 100 bps @ effective rate is 4.35% p.a. (31st March 2024: Nil).
- 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 2025 the parent company had factoring facilities in place for trade receivables Nil (31 March 2024: INR 105.89 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 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 st April 2023	587.50	1,587.18	777.22	2,951.90
Cash Flows:				
Repayment of non-current borrowings	(100.76)	-	-	(100.76)
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 31 st March 2024	486.74	1,843.84	1,790.75	4,121.33
Cash Flows:				
Repayment of non-current borrowings	(3,442.99)	-	-	(3,442.99)
Proceeds from non-current borrowings	3,035.95	-	-	3,035.95
Repayment of current borrowings (net)	-	(1,792.00)	-	(1,792.00)
Repayment of lease liabilities	-	-	(274.69)	(274.69)
Non-cash changes				
Interest expense on lease liabilities	-	-	160.36	160.36
Creation of lease liabilities	-	-	211.32	211.32
Other movement	-	3.08	-	3.08
Balance As at 31 st March 2025	79.70	54.92	1,887.74	2,022.36

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

17 OTHER FINANCIAL LIABILITIES

	As at 31 st March 2025	As at 31 st March 2024
Non-current		
Security deposits	2.24	1.74
Payable to founders of Novelic d.o.o. (refer note 49)	-	506.97
Total other financial liabilities - non-current	2.24	508.71
Current		
Interest accrued but not due on borrowings	-	2.79
Employee benefits payable	345.85	362.60
Capital creditors*	654.40	394.05
Security deposits	3.33	3.38
Payable to founders of Novelic d.o.o. (refer note 49)	537.33	262.29
Other payables	25.96	20.92
Total other financial liabilities - current	1,566.87	1,046.03

* includes MSME balance of INR 162.54 million (31st March 2024: INR 58.42 million).

18 PROVISIONS

	As at 31 st March 2025	As at 31 st March 2024
Non-current		
Provision for compensated absences (refer below and note 39)	132.94	115.75
Provision for defined benefit plans (refer note 39)	79.00	70.14
Provision for warranty (refer below)	104.44	66.71
Total provisions - non-current	316.38	252.60
Current		
Provision for compensated absences (refer below and note 39)	61.78	48.57
Provision for defined benefit plans (refer note 39)	0.28	0.27
Provision for warranty (refer below)	35.54	28.17
Total provisions - current	97.60	77.01

The reconciliation of the carrying amount of provision from beginning of the year to end of the year is provided below:

	31 st March 2025	31 st March 2024
Provision for Compensated absences		
Opening balance	164.32	138.10
Additions	81.67	90.98
Amounts utilised	(51.27)	(64.77)
Closing balance	194.72	164.32
Provision for Warranty		
Opening balance	94.88	59.74
Additions	90.28	45.12
Amounts utilised	(45.18)	(9.97)
Closing balance	139.98	94.88

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

19 DEFERRED TAX LIABILITIES (NET)

Movement in deferred tax assets/liabilities

31st March 2025

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Effect of Foreign currency translation reserve	Recognised in other equity	Closing Balance
Property, plant and equipment and intangible assets	1,251.13	(98.84)	-	-	1,152.29
Provision for employee benefits obligation	(64.25)	(9.13)	-	-	(73.38)
Others	74.31	118.95	1.44	(22.09)	172.61
Total	1,261.19	10.98	1.44	(22.09)	1,251.52

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

Certain subsidiary companies of the Group have net carry forward losses amounting to total of INR 223.72 million (31st March 2024: INR 125.32 million) on which deferred tax asset has not been recognised, which has a 15-20 years carry forward period.

Deferred tax assets amounting to INR 82.62 million (31st March 2024: INR 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 2025	As at 31 st March 2024
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	453.28	519.88
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,785.19	2,461.17
Total Trade payables	3,238.47	2,981.05

Notes:

- (i) Refer note 37 for balance payable to related parties
- (ii) There is no disputed dues.

Trade payables aging schedule as at 31st March 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	6.47	428.14	18.23	0.30	0.14	-	453.28
(ii) Others	489.83	1,615.38	663.03	4.72	1.32	10.91	2,785.19
Total	496.30	2,043.52	681.26	5.02	1.46	10.91	3,238.47

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Trade payables aging schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	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	-	519.88
(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

21 OTHER CURRENT LIABILITIES

	As at 31 st March 2025	As at 31 st March 2024
Statutory dues payable	92.33	98.71
Revenue received in advance (refer note 44)	257.45	198.78
Duty Drawback	6.70	9.59
Others	6.56	1.55
Total current liabilities	363.04	308.63

22 CURRENT TAX LIABILITIES

	As at 31 st March 2025	As at 31 st March 2024
Income tax liabilities (net)(Net of advance tax INR 1,811.94 million (31 st March 2024: INR 1,403.65 million))	65.13	91.53
Total current tax liabilities	65.13	91.53

23 REVENUE FROM OPERATIONS

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Sale of goods*	34,127.42	30,819.49
Other operating revenue		
Scrap sales	683.16	684.66
Export/other incentive	640.45	294.55
Royalty income	0.62	1.46
Provision for doubtful debts written back	0.23	46.19
Others	8.33	1.35
Total revenue from operations	35,460.21	31,847.70

* Refer note 44.

24 OTHER INCOME

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Interest on financial assets carried at amortised cost	771.33	114.45
Interest income from income tax refund	45.22	-
Profit on sale of investments	405.95	97.78
Others	46.66	27.25
Total other income	1,269.16	239.48

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

25 (A) COST OF MATERIALS CONSUMED

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Raw material at the beginning of the year	1,032.70	1,095.21
Add: Purchases during the year	15,420.85	13,995.78
Less: Raw material at the end of year	1,213.55	1,032.70
Cost of material consumed	15,240.00	14,058.29

25 (B) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Inventories at the beginning of the year		
Work-in-progress	405.19	324.89
Finished goods	1,644.21	1,407.57
	2,049.41	1,732.47
Inventories at the end of the year		
Work-in-progress	372.37	405.19
Finished goods	1,470.05	1,644.21
	1,842.42	2,049.41
Changes in inventories	206.99	(316.94)

26 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salaries, wages and allowances	2,401.11	1,950.97
Contribution to provident and other funds (refer note 39)	148.06	131.40
Staff welfare expenses	325.11	271.68
Share-based payment to employees (refer note 45)	275.97	147.29
Total employee benefits expense	3,150.25	2,501.34

27 FINANCE COSTS

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Interest on loans	90.58	136.40
Other borrowing costs	30.37	19.30
Other finance charges	20.42	15.04
Interest on lease liabilities (refer note 43)	160.36	87.24
Total finance costs	301.73	257.98

28 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Depreciation of property, plant and equipment (refer note 4)	1,737.22	1,514.96
Amortisation of intangible assets (refer note 5)	612.30	584.72
Amortisation of right-of-use assets (refer note 4)	194.43	102.56
Total depreciation and amortisation expense	2,543.95	2,202.25

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

29 OTHER EXPENSES

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Consumption of stores, spares and tool	1,499.62	1,391.86
Power and fuel	888.43	818.06
Freight, clearing and forwarding charges	493.27	442.73
Packing material	502.34	435.40
Sub contracting cost	992.74	984.27
Rent (refer note 43)	65.19	48.58
Repairs and maintenance - plant and machinery	359.55	328.64
Repair and maintenance - buildings	19.88	26.90
Repair and maintenance - others	250.25	231.63
Manpower hiring on contract	704.82	629.15
Legal and professional charges	277.48	285.96
Testing and designing charges	125.56	110.69
Software Charges	84.98	62.79
Rates and taxes	20.76	22.15
Insurance	99.47	72.95
Travelling, conveyance and vehicle expenses	244.05	209.65
Communication and stationery expenses	24.50	25.47
Security charges	36.30	29.32
Corporate social responsibility expense	97.14	63.60
Business promotion	34.83	34.79
Directors sitting fees and commision (refer note 37)	57.02	51.36
Loss on sale of property plant & equipments (net)	1.30	2.00
Foreign exchange loss, net	-	2.63
Allowances for expected credit loss	1.85	-
Provision for warranty	90.28	45.12
Miscellaneous expenses	223.78	228.47
Total other expenses	7,195.39	6,584.16

30 EXCEPTIONAL ITEM

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Costs incurred in relation to various acquisition opportunities (refer note 50)	192.85	87.16
	192.85	87.16

31 INCOME TAX EXPENSE

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Current tax	1,982.55	1,566.51
Tax related to previous years	(7.06)	(27.91)
Deferred tax charge/(credit)	10.98	(3.30)
Total Income Tax expense	1,986.47	1,535.30

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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 2025	For the year ended 31 st March 2024
Profit before income tax expense	7,983.35	6,713.06
Income tax as per statement of profit and loss	1,986.47	1,535.30
Tax at the Indian tax rate of 25.17% (31 st March 2024: 25.17%)	2,009.17	1,689.47
Effect of non-deductible expenses	24.45	16.00
Tax effect of ESOP exercised	5.06	(119.91)
Difference in tax rate of subsidiary companies	(49.20)	(69.27)
Others	(3.01)	19.00
Income tax expense (as per statement of profit and loss)	1,986.47	1,535.30

32 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Revenue expenditure charged to statement of profit and loss	378.72	369.75
Capital expenditure (refer note 4 and 5)*	762.72	423.38
Total research and development expenses	1,141.44	793.13

* This includes development expenditure incurred on CWIP/intangible under development amounting to INR 518.68 million (31st March 2024: INR 83.36 million).

33 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	As at 31 st March 2025			As at 31 st March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	7,051.93	-	-	6,482.63
Cash and bank balances	-	-	13,015.98	-	-	2,741.64
Other financial assets	-	-	5,631.87	-	-	117.66
Derivative financial assets	4.35	-	-	18.10	-	-
Non-current Investments	456.94	-	-	100.37	-	-
Current Investments	8,184.52	-	-	316.40	-	-
Total financial assets	8,645.80	-	25,699.78	434.87	-	9,341.93
Financial liabilities						
Borrowings	-	-	134.63	-	-	2,333.37
Trade payables	-	-	3,238.47	-	-	2,981.05
Other financial liabilities	-	-	1,569.11	-	-	1,551.96
Lease liabilities	-	-	1,887.74	-	-	1,790.75
Total financial liabilities	-	-	6,829.95	-	-	8,657.13

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, 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 31 st March 2025			
Foreign exchange forward contracts-assets	-	4.35	-
Non-current investments- asset	-	-	456.94
Current investments- asset	8,184.52	-	-
Total financial assest	8,184.52	4.35	456.94
As at 31 st March 2024			
Foreign exchange forward contracts-assets	-	18.10	-
Non-current investments - asset	-	-	100.37
Current investments - asset	316.40	-	-
Total financial assets	316.40	18.10	100.37

ii) Financial assets and liabilities:

	As at 31 st March 2025	As at 31 st March 2024
Financial assets		
Trade receivables	7,051.93	6,482.63
Cash and bank balances	13,015.98	2,741.64
Other financial assets	5,631.87	117.66
Total financial assets	25,699.78	9,341.94
Financial liabilities		
Borrowings	134.63	2,333.37
Lease liabilities	3,238.47	2,981.05
Trade payable	1,569.11	1,551.96
Other financial liability	1,887.74	1,790.75
Total financial liabilities	6,829.95	8,657.13

All assets and liabilities measured at amortised cost have been classified as level 3, as prescribed under the accounting standard. An explanation of each level is 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 2025

(Figures in Million INR, except per share data, unless stated otherwise)

34 FINANCIAL RISK MANAGEMENT

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 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Financial assets that expose the entity to credit risk –

Credit rating	Particulars	As at 31 st March 2025	As at 31 st March 2024
Low credit risk	Cash and bank balances	13,015.98	2,741.64
	Other financial assets	5,631.87	117.66
	Derivative financial assets	4.35	18.10
Moderate credit risk	Trade receivables*	7,051.93	6,482.63

*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 2025, and for the year ended 31st March 2024 is insignificant.

Reconciliation of loss allowance

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
At the beginning of year	5.07	51.26
Movement during the year	0.00	(46.19)
Total expected credit loss allowance*	5.07	5.07

* 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 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(B) Liquidity risk

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 non-derivative financial liabilities have contractual undiscounted maturities as summarised below:

	Less than 1 year	1 to 5 years	More than 5 years	Total
31st March 2025				
Borrowings	-	-	-	-
Trade payables	3,238.47	-	-	3,238.47
Other financial liabilities	1,566.87	2.24	-	1,569.11
Lease liabilities	248.19	1,113.45	1,655.13	3,016.77
Total	5,053.53	1,115.69	1,655.13	7,824.35
	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
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

(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 2025	As at 31 st March 2024
Variable rate borrowings	134.63	2,330.58
Fixed rate borrowings	-	-
Total borrowings	134.63	2,330.58

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/other components of Equity	As at 31 st March 2025	As at 31 st March 2024
Interest rate increase by 1.00% (31 st March 2024: 1.00%)*	9.22	16.86
Interest rate decrease by 1.00% (31 st March 2024: 1.00%)*	(9.22)	(16.86)

* 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 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(ii) Foreign currency risk

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 2025	As at 31 st March 2024
Trade receivables and others		
United States Dollar (USD)	39.17	44.31
Euro (EUR)	8.17	3.69
Serbian Dinar (RSD)	1.80	-
RMB	8.78	1.72
Others	2.25	-
Trade/other payables		
United States Dollar (USD)	2.44	2.85
Euro (EUR)	7.53	9.31
Japanese Yen (JPY)	157.93	264.79
Canadian Dollar (CAD)^	-	0.00
Swiss Franc (CHF)	0.03	0.01
Serbian Dinar (RSD)	257.74	839.36
Mexican Pesos (MXP)	6.72	5.45
RMB	10.15	0.77
Others	0.39	0.03

^Rounded off to Nil

Indian Rupee (INR)	As at 31 st March 2025	As at 31 st March 2024
Trade receivables and others		
United States Dollar (USD)	3,348.33	3,695.57
Euro (EUR)	752.59	331.97
Serbian Dinar (RSD)	1.42	-
RMB	100.80	19.76
Others	2.98	-
Trade payables		
United States Dollar (USD)	208.71	238.00
Euro (EUR)	693.48	836.82
Japanese Yen (JPY)	89.64	145.82
Canadian Dollar (CAD)^	-	0.13
Swiss Franc (CHF)	2.81	1.27
Serbian Dinar (RSD)	202.97	643.54
Mexican Pesos (MXP)	33.74	27.38
RMB	116.51	8.84
Others	6.56	2.93

^Rounded off to Nil

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	As at 31 st March 2025	As at 31 st March 2024
Outstanding forward contracts as at the reporting date (Million USD)- Receivable	109.55	132.65
Outstanding forward contracts as at the reporting date (Million EURO)- Receivable	20.81	20.91
Outstanding forward contracts as at the reporting date (Million JPY)- Payable	97.37	244.58
Outstanding forward contracts as at the reporting date (Million EUR)-Payable	8.00	15.96
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	9,451.55	11,150.42
Outstanding forward contracts as at the reporting date (INR in million)- Receivable	1,969.65	1,937.05
Outstanding forward contracts as at the reporting date (INR in million)- Payable	57.79	144.01
Outstanding forward contracts as at the reporting date (INR in million)- Payable	761.71	1,493.08

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 2025	For the year ended 31 st March 2024
Net currency receivables/(payables)		
USD sensitivity		
INR /USD- increase by 1.00% (31 st March 2024: 1.00%)*	23.49	25.87
INR /USD- decrease by 1.00% (31 st March 2024: 1.00%)*	(23.49)	(25.87)
EUR sensitivity		
INR /EURO- increase by 1.00% (31 st March 2024: 1.00%)*	0.44	(3.78)
INR /EURO- decrease by 1.00% (31 st March 2024: 1.00%)*	(0.44)	3.78
JPY sensitivity		
INR /JPY- increase by 1.00% (31 st March 2024: 1.00%)*	(0.67)	(1.09)
INR /JPY- decrease by 1.00% (31 st March 2024: 1.00%)*	0.67	1.09
RMB sensitivity		
INR /RMB- increase by 1.00% (31 st March 2024: 1.00%)*	(0.12)	0.08
INR /RMB- decrease by 1.00% (31 st March 2024: 1.00%)*	0.12	(0.08)
CAD sensitivity		
INR /CAD- increase by 1.00% (31 st March 2024: 1.00%)*	-	(0.00)
INR /CAD- decrease by 1.00% (31 st March 2024: 1.00%)*	-	0.00
MXP sensitivity		
INR /MXP- increase by 1.00% (31 st March 2024: 1.00%)*	(0.25)	(0.20)
INR /MXP decrease by 1.00% (31 st March 2024: 1.00%)*	0.25	0.20
CHF sensitivity		
INR /CHF- increase by 1.00% (31 st March 2024: 1.00%)*	(0.02)	(0.01)
INR /CHF- decrease by 1.00% (31 st March 2024: 1.00%)*	0.02	0.01
RSD sensitivity		
INR /RSD- increase by 1.00% (31 st March 2024: 1.00%)*	(1.52)	(4.82)
INR /RSD- decrease by 1.00% (31 st March 2024: 1.00%)*	1.52	4.82

* 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 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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 2025	As at 31 st March 2024
Long-term borrowings including current maturities (refer note 16)	79.70	486.75
Short-term borrowings (refer note 16)	54.92	1,843.84
Less: Cash and cash equivalents (refer note 12)	(10,475.11)	(910.05)
Net debts *	(10,340.49)	1,420.53
Equity share capital (refer note 14)	6,217.18	5,864.48
Other equity (refer note 15)	48,730.52	20,638.80
Total equity	54,947.70	26,503.27
Net Gearing ratio	(18.82%)	5.36%

* Excluding lease liabilities

Dividends	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Equity share		
Final dividend of INR 1.53 per each 58,64,60,546 equity share	897.28	-
Interim dividend of INR 1.60 per each 62,17,17,975 equity share	994.76	-
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
	1,892.04	1,792.94

The Board of Directors of the Company in its meeting held on 30th April 2025 has recommended final dividend of INR 1.60/- i.e (16.00%) per equity share of the Company having face value of INR 10/- each for the financial year 2024-2025, 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 31 st March 2025	For the year ended 31 st March 2024
India	13,142.90	11,797.43
Outside India	20,984.53	19,022.06
Total	34,127.43	30,819.49

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Revenue outside India	For the year ended 31 st March 2025	For the year ended 31 st March 2024
North America	13,369.84	11,043.96
Europe	6,413.18	6,729.74
Asia (Excluding India)	1,151.00	1,094.86
Others	50.51	153.50
	20,984.53	19,022.06
Customers exceeding 10% of total revenue	For the year ended 31 st March 2025	For the year ended 31 st March 2024
No of customers exceeding 10% of total revenue	2	2
Total revenue of such customers (INR million)	10,155.96	9,471.05

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 31 st March 2025	As at 31 st March 2024
India	19,277.90	17,430.46
North America	796.33	654.90
Europe	4,905.48	4,734.64
Others	487.30	321.87
	25,467.01	23,141.87

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)

(iv) Key Management Personnel

Name	Designation
Mr. Vivek Vikram Singh	Managing Director & Group CEO
Mr. Vadapalli Vikram Verma	Whole Time Director and Chief Executive Officer (Driveline Business) (w.e.f. 24 th January 2025)
Mr. Sat Mohan Gupta	Chief Executive Officer (Motor business)
Mr. Rohit Nanda	Group Chief Financial Officer
Mr. Ajay Pratap Singh	Senior Vice President (Legal) & Company Secretary
Non-Executive Directors	
Mr. Sunjay Kapur	Chairman and Non-Executive Director
Mr. Prasan Abhaykumar Firodia	Independent director (till 23 rd October 2024)
Mr Subbu Venkata Rama Behara	Independent director (till 4 th July 2024)
Mr. Amit Dixit	Director (till 11 th December 2024)
Mr. Ganesh Mani	Director(till 19 th July 2023)
Mrs Shradha Suri	Independent director
Mr. Jeffrey Mark Overly	Independent Director

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Name	Designation
Mrs. Manisha Girotra	Independent Director (w.e.f. 1 st January 2024)
Mr. Pradip M Kanakia	Independent Director (w.e.f. 1 st July 2024)
Mr. Karamendra Daulet Singh	Independent Director (w.e.f. 24 th October 2024)
Mr. Vineet Mittal	Independent Director (w.e.f. 24 th January 2025)
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 31 st March 2025	For the year ended 31 st March 2024
Dividend paid		
Aureus Investment Private Limited (formerly known as Sona Autocomp Holding Private Limited)	545.27	533.08

(ii) Key Management Personnel *

Transactions	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Managerial remuneration		
Mr. Vivek Vikram Singh	32.44	36.36
Mr. Vadapalli Vikram Verma	29.37	37.28
Mr. Rohit Nanda	30.89	30.20
Mr. Sat Mohan Gupta	22.85	24.83
Mr. Ajay Pratap Singh	10.75	10.06
Remuneration to relative of KMP		
Mr. Tanay Gupta	14.18	1.32
Issue of equity shares under ESOP Scheme		
Mr. Vivek Vikram Singh	140.39	8.46
Mr. Vadapalli Vikram Verma	50.90	6.10
Mr. Rohit Nanda	-	4.57
Mr. Ajay Pratap Singh	4.19	1.83
Mr. Sat Mohan Gupta	-	6.10
Share-based payment charged in profit and loss account		
Mr. Vivek Vikram Singh	60.83	25.07
Mr. Vadapalli Vikram Verma	38.70	16.09
Mr. Rohit Nanda	30.98	12.82
Mr. Sat Mohan Gupta	38.70	16.09
Mr. Ajay Pratap Singh	11.84	4.85
Mr. Tanay Gupta	1.38	0.53

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Transactions	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Director Sitting Fee		
Mr. Prasan Abhaykumar Firodia	0.12	0.36
Mr. B.V.R. Subbu	0.07	0.28
Mrs. Manisha Girotra	0.15	0.07
Mr. Jeffrey Mark Overly	0.48	0.38
Mrs. Shradha Suri	0.21	0.20
Mr. Pradip Manilal Kanakia	0.21	-
Mr.Vineet Mittal	0.04	-
Mr. Karamendra Daulet Singh	0.14	-
Commission		
Mr. Sunjay Kapur	24.00	24.00
Mr. Jeffrey Mark Overly	8.56	8.20
Mrs. Manisha Girotra	5.50	1.38
Mr. B.V.R. Subbu	1.43	5.50
Mr. Shradha Suri	5.50	5.50
Mr. Pradip Manilal Kanakia	4.13	-
Mr. Karamendra Daulet Singh	2.40	-
Mr. Vineet Mittal	1.01	-
Mr. Prasan Abhaykumar Firodia	3.10	5.50
Dividend paid		
Mr. Vadapalli Vikram Verma	1.02	0.95
Mr. Vivek Vikram Singh	0.90	0.59
Mr. Ajay Pratap Singh	0.05	0.03
Mr. Sat Mohan Gupta	0.69	0.66
Mrs. Shradha Suri	#	#
Rani Kapur - RK Family Trust	#	-
Raghuvanshi Investment Private Limited	#	-
Charu Sachdev	#	-
Jasbir Sachdev	#	-
Ashok Sachdev	#	-
Sale of Vehicle		
Mr. Rohit Nanda	0.20	-
Mr. Vadapalli Vikram Verma	-	0.31
Mr. Kiran Manohar Deshmukh	-	0.57
Mr. Sat Mohan Gupta	-	1.01

* Break- up of Key management personnel remuneration

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Short-term employee benefits	126.31	140.05

* 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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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 5th April 2024 and 22nd April 2024. 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 and Clean Max Nova 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.

Note-3 The Company has reimbursed INR 6.70 million (March 31st 2024: INR 7.45 million) to its directors during the year.

Number less than INR 50,000

(c) Details of balances with related parties at year end

(i) Key Management Personnel

Balances as at year end	As at 31 st March 2025	As at 31 st March 2024
Payables		
Mr. Vivek Vikram Singh	9.85	15.98
Mr. Rohit Nanda	8.69	10.50
Mr. Vadapalli Vikram Verma	7.87	15.13
Mr. Ajay Pratap Singh	2.96	3.49
Mr. Sat Mohan Gupta	4.01	7.49
Mr. Tanay Gupta	-	0.18

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

	As at 31 st March 2025	As at 31 st March 2024
Total profit attributable to the equity holders of the Company used for basic and diluted earnings per share (A)	6,012.13	5,172.67
Total number of equity shares at the beginning of the year	586,447,778	585,404,582
Issue of shares	35,270,197	1,043,196
Total number of equity shares at the end of the year	6,217,17,975	586,447,778
Effect of exercise of share options (refer note 45)	17,381	60,718
Total number of equity shares (including options) at the end of the year	621,735,356	586,508,496
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	606,025,908	585,855,017
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (B)	606,025,908	585,855,017
Effect of exercise of share options	17,381	60,718
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (C)	606,043,289	585,915,735
Nominal Value per share (in INR)	10.00	10.00
(a) Basic earnings per share (in INR)	9.92	8.83
(b) Diluted earnings per share (in INR)	9.92	8.83

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

39 EMPLOYEE BENEFITS

A Defined contribution plans:

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
a) Provident fund	149.90	127.74
b) Employees state insurance corporation	0.18	0.36
c) Labour welfare fund	0.43	0.39
d) Super annuation	2.05	1.89
e) National Pension Scheme	20.37	15.72
	172.93	146.10

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 2025	For the year ended 31 st March 2024
(i) Current service cost	31.35	26.85
(ii) Interest cost	23.57	20.90
(iii) Expected return on plan assets	(19.30)	(18.37)
Net expense recognised in the statement of profit and loss	35.62	29.38

II Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(i) Actuarial changes arising from changes in demographic assumptions	1.30	4.21
(ii) Actuarial changes arising from changes in financial assumptions	0.86	4.47
(iii) Actuarial changes arising from changes in experience adjustments	10.14	14.98
(iv) Return on plan assets greater than discount rate	(1.07)	(0.29)
Net expense recognised in other comprehensive income	11.23	23.37

III Changes in obligation

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(i) Opening balance	362.22	297.42
(ii) Current service cost	31.35	26.85
(iii) Interest cost	23.57	20.90
(iv) Actuarial (gain)/loss	12.30	23.66
(v) Benefit payments from plan assets	(10.55)	(6.61)
(vi) Present value of obligation as at year end	0.35	-
	419.25	362.22

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

IV Changes in plan assets

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(i) Fair value of plan assets as at the beginning of the period	291.80	256.70
(ii) Interest income	19.30	18.37
(iii) Contributions by employer	37.20	23.06
(iii) Benefit payments from plan assets	(9.66)	(6.61)
(iv) Actuarial gain on plan assets	1.01	0.29
(v) Transfer of employees from erstwhile related party	0.35	-
Fair value of plan assets	340.00	291.80

V Net assets/liabilities

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(i) Present value of obligation at the end of the year	419.24	362.22
(ii) Fair value of plan assets at the end of the year	340.00	291.80
(iii) Net liabilities recognised in the balance sheet		
- Non-current	79.00	70.14
- Current	0.28	0.27

VI Experience adjustment

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Experience adjustment loss on plan liabilities	3.87	6.14

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 2025	For the year ended 31 st March 2024
Discount rate (per annum)	6.40%-6.70%	7.15%-7.30%
Expected increase in salary costs (per annum)	8.00-10.00%	8.00-10.00%
Attrition rate	15.00-16.00%	15.00-16.00%
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 consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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:

	Impact on defined benefit obligation	
	As at 31 st March 2025	As at 31 st March 2024
Delta effect of +1% change in rate of discounting	(15.16)	(12.79)
Delta effect of -1% change in rate of discounting	16.37	13.79
Delta effect of +1% change in rate of salary increase	15.98	13.49
Delta effect of -1% change in rate of salary increase	(15.04)	(12.71)

X Maturity profile of defined benefit obligation (undiscounted)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Within the next 12 months (next annual reporting period)	48.90	59.88
Between 2 and 5 years	134.57	190.87
Between 6 and 10 years	113.01	161.23
Total expected payments	296.48	411.97

XI The average duration of the defined benefit plan obligation at the end of the reporting period is 5 - 7 years (31st March 2024: 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

40 CONTINGENT LIABILITIES

	As at 31 st March 2025	As at 31 st March 2024
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. (FY 2005-06 to 2007-08)	0.47	0.47
ii) Income Tax *		
Cases pending before Transfer pricing officer (AY-2013-14)	2.12	2.12
Cases pending before Transfer pricing officer (AY-2016-17)	2.98	2.74
Cases pending before CIT in respect of which the Company has filed appeal (AY-2017-18)**	97.66	90.85
Demand raised by AO for which company intend to file appeal with CIT - Appeal for AY 2018-19	8.07	7.15
(iii) Central Excise Act, 1944		
Case pending before Directorate General of Goods And Service Tax Intelligence in respect of which the Compay has filed appeals. (FY 2014-15 to FY 2017-18)	-	0.61
(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 2024: INR 17.47 million)

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

** Total disputed amount of the case is INR 106.29 million(31st March 2024: INR 99.48 million) (including interest liability) out of which INR 8.63 million (31st March 2024: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.

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:

	As at 31 st March 2025	As at 31 st March 2024
Export obligation pending	1,580.30	2,684.22

41 COMMITMENTS

(a) Capital commitments

	As at 31 st March 2025	As at 31 st March 2024
Estimated amount of contracts to be executed on capital account not provided for (net of advances)	700.08	1,597.56
	700.08	1,597.56

The Board of the Company in its meeting held on 10th February 2025 has approved execution of an agreement for purchase of plot of land measuring 33,423 (thirty three thousand four hundred twenty three) square yards equivalent to 27,945.89 (twenty seven thousand nine hundred forty five point eight eight five) square meters forming part of the industrial plot bearing no. 115 and half of plot no. 114 located in Sector 24, Faridabad, Haryana from Escort Kubota, adjacent to the land of Railway Equipment Division ("RED") business of Escorts Kubota, for total consideration of INR 1100 million, which may help in its future expansion plans.

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 2025

	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 (INR million)	As a % of consolidated net profit	Amount (INR million)	As a % of consolidated other comprehensive income	Amount (INR million)	As a % of consolidated total comprehensive income	Amount (INR million)
Holding Company								
Sona BLW Precision Forgings Limited	95.58%	53,951.28	96.66%	5,796.88	14.28%	6.08	96.08%	5,802.96
Subsidiaries- India								
Comstar Automotive Technology Services Private Limited	0.25%	143.49	0.53%	32.00	(0.09%)	(0.04)	0.53%	31.96
Sona Comstar eDrive Private Limited	0.02%	8.51	0.00%	0.21	0.00%	-	0.00%	0.21
Subsidiaries - Foreign								
Comstar Automotive USA LLC	1.58%	889.23	3.87%	232.36	49.15%	20.93	4.19%	253.29

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	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 (INR million)	As a % of consolidated net profit	Amount (INR million)	As a % of consolidated other comprehensive income	Amount (INR million)	As a % of consolidated total comprehensive income	Amount (INR million)
Comstar Automotive Hongkong Limited	0.23%	127.79	2.00%	119.86	(2.21%)	(0.94)	1.97%	118.92
Comstar Automotive (Hangzhou) Co., Ltd.	0.10%	57.00	(0.44%)	(26.53)	4.32%	1.84	(0.41%)	(24.69)
Comestel Automotive Technologies Mexicana Ltd.	1.65%	929.89	5.70%	341.56	45.35%	19.31	5.98%	360.87
Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	(0.04%)	(22.97)	(0.25%)	(15.12)	5.33%	2.27	(0.21%)	(12.85)
Comestel Automotive Technologies Mexicana, S. DE R.L. DE C.V	0.28%	156.60	0.30%	18.01	(66.03%)	(28.12)	(0.17%)	(10.11)
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.	0.63%	353.28	(1.18%)	(70.61)	(42.36%)	(18.04)	(1.47%)	(88.65)
Novelic d.o.o. Beograd	2.52%	1,423.84	0.12%	7.29	0.00%	-	0.12%	7.29
Novelic SRL	0.01%	5.29	0.07%	3.97	0.00%	-	0.07%	3.97
Novelic ESC DOOEL SKOPJE	0.00%	0.87	0.00%	0.21	0.00%	-	0.00%	0.21
Nirsen D.O.O	0.03%	15.60	(0.11%)	(6.37)	0.00%	-	(0.11%)	(6.37)
Novelic GMBH	0.00%	2.20	0.01%	0.46	0.00%	-	0.01%	0.46
Non-controlling interest	2.66%	1,499.48	0.04%	2.53	39.82%	16.96	0.32%	19.48
Consolidation adjustments	(5.48%)	(3,094.20)	(7.33%)	(439.83)	52.43%	22.33	(6.91%)	(417.49)
Total	100%	56,447.18	100%	5,996.88	100%	42.58	100%	6,039.46

31st March 2024

	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 (INR million)	As a % of consolidated net profit	Amount (INR million)	As a % of consolidated other comprehensive income	Amount (INR million)	As a % of consolidated total comprehensive income	Amount (INR million)
Holding Company								
Sona BLW Precision Forgings Limited	91.93%	25,740.32	93.57%	4,844.80	(30.64%)	(8.55)	92.90%	4,836.25
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)

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	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 (INR million)	As a % of consolidated net profit	Amount (INR million)	As a % of consolidated other comprehensive income	Amount (INR million)	As a % of consolidated total comprehensive income	Amount (INR million)
Comestel Automotive Technologies Mexicana Ltd.	0.29%	81.69	(0.60%)	(30.85)	(30.81%)	(8.60)	(0.76%)	(39.45)
Comstar Automotive (Hangzhou) Co., 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
Novelic 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%)	(234.75)	388.42%	108.44	(2.08%)	(108.03)
Total	100%	28,001.05	100%	5,177.76	100%	27.92	100%	5,205.67

43 LEASES

- i) 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.
- ii) The Group does not have any lease commitments towards variable rent as per the contract.
- iii) 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 2025	As at 31 st March 2024
Current	104.22	99.01
Non-current	1,783.52	1,691.73
	1,887.74	1,790.74

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

v) Future minimum lease payments are as follows:

Particulars	As at 31 st March 2025		
	Lease payments	Finance charges	Net present values
Minimum lease payments due			
Within 1 year	248.19	143.97	104.22
1-5 years	1,113.45	530.11	583.34
More than 5 years	1,655.13	454.95	1,200.18
Total	3,016.77	1,129.03	1,887.74

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	1,289.34
Total	3,051.82	1,250.04	1,790.74

vi) The following are amounts recognised in profit or loss:

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Depreciation expense of right-of-use assets	194.43	102.56
Interest expense on lease liabilities	160.36	87.24
Rent expense (relating to Short-term leases on which lease liability is not recognised)	65.19	48.58
Total	419.98	238.37

vii) Total cash outflow pertaining to leases

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Total cash outflow pertaining to leases during the year ended	274.69	148.26

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) and for leases of low value assets.

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.

44 REVENUE FROM CONTRACTS WITH CUSTOMERS

(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 2025	For the year ended 31 st March 2024
Revenue by geography		
Domestic	13,142.90	11,797.43
Export	20,984.53	19,022.06
Total	34,127.43	30,819.49

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Revenue from operations	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Timing of revenue recognition		
Revenue recognised at point in time	34,127.43	30,578.17
Revenue recognised over the period of time	-	241.32
Total	34,127.43	30,819.49

(b) Liabilities related to contracts with customers*

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening balance	198.78	170.87
Income recognised from advance	(159.23)	(334.93)
Advance received from customers during the year	217.90	362.84
Advance from customers and contract liability (refer note 21)	257.45	198.78

(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 2025 INR 0.85 million (31st March 2024: INR 0.76 million)

(d) Contract assets*

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening balance	33.40	44.61
Adjusted during the year	10.97	11.21
Closing balance (refer note 9)	22.43	33.40

* Performance obligations pertaining to balance of contract assests 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 30th September 2020. The maximum number of Options 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 excercise 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 Forging Limited Employee Stock Option Plan
Exercise Price	INR 38.34
Grant date	1 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	32,63,220 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 2025

(Figures in Million INR, except per share data, 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. 1st 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 Nil for the year ended 31st March 2025 (INR 8.70 million for the year ended 31st March 2024) 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	1 st October 2020	1 st October 2020	1 st October 2020
Vesting date	1 st October 2021	1 st October 2022	1 st October 2023
Expiry date	1 st October 2024	1 st October 2025	1 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 31 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:

	31 st March 2025	31 st March 2024
Options outstanding at the beginning of the period	62,488	11,30,548
Number of employees to whom options were granted	62	62
Options vested	-	10,56,900
Options exercised	24,704	10,43,196
Options forfeited/ lapsed/ cancelled	18,892	24,864
Option expired during the year	Nil	Nil
Options outstanding (Vested)	18,892	62,488
Options outstanding (Unvested)	-	-
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)	24,704	10,43,196
Money realised by exercise of options (in INR)	9,47,151	3,99,96,135
Options outstanding at the period end (Vested)	-	-
Options exercisable at the period end (Unvested)	18,892	62,488
Total number of options in force (excluding options not granted)	-	-

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

	31 st March 2025	31 st March 2024
Weighted average remaining contractual life of outstanding options (in years)	1.50	2.50

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 2025 is Nil (for the year ended 31 st March 2024 was INR 8.70 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 2025 is Nil (31 st March 2024 was INR 5.55 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 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		
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	68,26,600	1,00,000	
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 only) Options out of which 6,826,600 (Six million nine hundred twenty-six thousand six hundred only) 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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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 275.97 million (excluding INR 18.42 million capitalised) for the year ended 31st March 2025 (31st March 2024 INR 138.31 million (excluding INR 11.57 million capitalised)) 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%

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
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	31-03-2025	31-03-2024
Options outstanding at the beginning of the period	6,926,600	-
Number of employees to whom options were granted	91	91
Options vested	1,731,650	-
Options exercised	462,885	-
Options forfeited/ lapsed/ cancelled	-	-
Option expired during the year	-	-
Options outstanding (Vested)	1,268,765	-
Options outstanding (Unvested)	5,194,950	6,926,600
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)	1,731,650	-
Money realised by exercise of options (in INR)	235,585,321	-



Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

Particulars	31-03-2025	31-03-2024
Options outstanding at the period end	5,194,950	-
Options exercisable at the period end	1,268,765	-
Total number of options in force (excluding options not granted)	6,463,715	6,926,600
Weighted average remaining contractual life of outstanding options (in years)	1.67	2.67

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 2025 is INR 275.97 million (excluding INR 18.42 million capitalised) (31 st March 2024:INR 138.31 million (excluding INR 11.57 million capitalised)).
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 2025 is INR 181.05 million (31 st March 2024:INR 69.38 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.

46 (A) INTANGIBLE ASSETS IMPAIRMENT TESTING

Goodwill

As per note no. 5 , the group had recognised an amount of INR 3,518.31 million as goodwill on account of acquisition of Novelic d.o.o. Beograd (INR 1,760.22 million), Comstar Automotive Hongkong Limited (INR 80.79 million), Comstar Automotive Technology Services Private Limited (INR 59.04 million), Comstar Automotive USA LLC (INR 36.02 million) in addition to goodwill recognised at standalone (INR 1,582.24 million). Annual test for impairment of goodwill was carried out as at 31st March 2025 and 31st March 2024, 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 1st 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 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

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

the entity basis certain inputs outlined below. In March 2025 and March 2024, 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 2,482.93 million (March 31st 2024: INR 2,237.19 million) as Intangible assets under development . Annual test for impairment of Intangible assets under development was carried out as at 31st March 2024 and 31 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 24.00%-26.00% 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.

Further in accordance with IND AS 36 - “Impairment of Assets”, the Company has carried out commercial feasibility assessment of intangibles under development (‘IAUD’) amounting to INR 627.11 million (March 31st 2024: INR 453.29 million) and has not identified any impairment which is required to be recorded in the financial statements.

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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

47 During the year, the Company raised funds through Qualified Institutional Placement (QIP) of 34,782,608 Equity Shares of the face value of INR 10 each at a premium of INR 680.00 per share aggregating to INR 24,000.00 million (INR 23,695.00 million net of issue expenses) for certain specific purposes as stated in the Placement Document. Out of the above QIP proceeds, INR 14,502.94 million has been utilised for the repayment of borrowings, purchase of fixed assets and general corporate purposes and the balance INR 9,192.06 million has been temporarily invested in approved financial instruments, pending utilisation as on 31st March 2025. The equity shares issued as a result of QIP have been considered in calculating earnings per share (EPS) for the relevant periods.

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 31 st March 2025								
Foreign currency risk								
(i) Foreign exchange forward contracts	11,421.20	15.38	-	April 2025 to March 2026	1:1	USD: 84.47 to 89.33 EUR: 90.47 to 98.73	(20.49)	20.49
As on 31 st 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)

(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 31 st March 2025				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	45.87	(0.65)	(50.04)	Loss on foreign exchange
		-	77.27	Reclassify to revenue
For the year ended 31 st 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

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 forcast 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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(iii) Movements in cash flow hedging reserve

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening	21.57	12.78
Add: Changes in fair value of forward contracts	45.87	(23.60)
Less: Amount reclassified to profit or loss	(26.58)	35.35
Less: Deferred tax relating to above (net)	(4.85)	(2.96)
Closing	36.01	21.57

49 BUSINESS COMBINATIONS

In the previous year, the Company had 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) had 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.

Particulars	Amount 31 st March 2024
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

Notes:

- a) Customer relationships amounting to INR 187.44 million had been identified as a part of purchase price allocation. Further, deferred tax liability on customer relationship amounting to INR 28.12 million was also recognised and same will be amortised over 5 years.
- b) Intangible assets amounting to INR 348.10 million had been identified as a part of purchase price allocation. Further, deferred tax liability on customer relationship amounting to INR 52.21 million was also recognised and same will be amortised over 15 years.
- c) Intangible assets under development amounting to INR 1,740.50 million had been identified as a part of purchase price allocation.
- d) Net assets acquired includes Right-of-use assets (INR 225.88 million), Intangible assets under development (INR 397.96 million) and Lease liabilities (INR 231.59 million).
- e) Amount of non-controlling interest had 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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

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 31 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 1st 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.

*Second tranche of 20% paid in September 2024 and the third tranche of remaining 20% is payable in September 2025, as per the Share purchase agreement and shareholder agreement.

50 EXCEPTIONAL ITEM

- a) The Company has signed a Business Transfer Agreement (BTA) dated 23rd October 2024 with Escorts Kubota Limited (EKL) to acquire its Railway Equipment Division (RED) which is a leading supplier of critical components like brakes and suspension systems to Indian Railways, as a going concern on slump sale basis, for a consideration of INR 16,000.00 million, subject to the terms of the said agreement. On 10th February 2025 the agreement was amended, amongst others, to revise the timeline for transfer of certain business related registrations and conditions related therewith in order to bring forward the expected date of completion of sale/transfer of RED Business from end of September, 2025 to 1st May 2025 or such other date as mutually agreed by the Parties. Parties have subsequently mutually agreed to extend the closing date to 1st June 2025 or such other date as mutually agreed by the Parties. Since all the conditions necessary for closing the transaction have not been met, no effect has been given in the financial statements with respect to this business acquisition.

The exceptional item is related to costs incurred in relation to various acquisition opportunities.

- b) During the previous year, the Company had completed the acquisition of 54% voting rights in Novelic 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 Novelic d.o.o., as per the Share purchase agreement and shareholder agreement. The exceptional item is related to diligence work and other expenses incurred on for the said acquisition.

51 OTHER STATUTORY INFORMATION

- i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Group do not have any transactions with struck off companies during the current and previous year.
- iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) 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:

a) 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

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) 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:

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.

Notes

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st March 2025

(Figures in Million INR, except per share data, unless stated otherwise)

(vii) 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 2024-25		FY 2023-24	
		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	5,775.14	5,775.14	5,514.54	5,514.54
Quarter 1	Inventory	3,208.61	3,208.61	2,750.30	2,750.30
Quarter 1	Trade Payables	2,915.39	2,915.39	2,278.21	2,278.21
Quarter 2	Trade Receivable	6,131.29	6,131.29	6,177.09	6,177.09
Quarter 2	Inventory	3,124.35	3,124.35	2,954.49	2,954.49
Quarter 2	Trade Payables	3,151.24	3,151.24	2,736.04	2,736.04
Quarter 3	Trade Receivable	6,400.04	6,400.04	5,308.07	5,308.07
Quarter 3	Inventory	3,199.14	3,199.14	3,137.84	3,137.84
Quarter 3	Trade Payables	2,692.76	2,692.76	2,340.23	2,340.23
Quarter 4	Trade Receivable	6,281.64	6,281.64	5,821.37	5,821.37
Quarter 4	Inventory	3,076.51	3,076.51	3,115.91	3,115.91
Quarter 4	Trade Payables	2,934.72	2,934.72	2,693.79	2,693.80

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 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 2025 were approved by the Board of Directors on 30th April 2025.

This is the summary of material accounting policies and other explanatory information form an integral part of these Consolidated financial statements.

For **Walker Chandiok & 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 2025

Place: Gurugram
Date: 30th April 2025

Form AOC-1

Part A

Pursuant to the first proviso of sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 Statement containing the salient features of financial statements of Subsidiaries

Name of the subsidiary	(INR in Million)																				
	Comstar Automotive Technology Services Private Limited	Comstar Automotive Hong Kong Ltd	Comstar Automotive (Hongzhou) Co., Ltd	Comstar Hong Kong Mexico No. 1, LLC	Comenergia Automotive Technologies Mexicana, S. DE R.L. DE C.V	Comestel Automotive Technologies Mexicana Ltd	Comstar Automotive Hong Kong Ltd	Comstar Automotive USA LLC	Comstar Automotive Hong Kong Ltd	Comestel 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	Comestel Automotive Technologies Mexicana, S. 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 d.o.o Beograd	Novelic SRL	Novelic Esc Doel Skopje	Nirsan d.o.o. Beograd-Zvezdara	Novelic GmbH
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st Mar, 2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025	31 st Mar,2025
Date since when subsidiary was acquired	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	05.07.2019	NA	NA	06.09.2023	06.09.2023	06.09.2023	06.09.2023	NA
Reporting currency in Host Country	INR	USD	USD	USD	USD	USD	USD	USD	USD	USD	RMB	USD	MXN	MXN	INR	MXN	RSD	RON	MKD	RSD	EUR
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	1 USD - INR 85.475	1 USD - INR 85.475	1 USD - INR 85.475	1 USD - INR 85.475	1 USD - INR 85.475	1 USD - INR 85.475	1 USD - INR 85.475	1 USD - INR 85.475	1 USD - INR 85.475	1 RMB - INR 11.7525	1 USD - INR 85.475	1 MXN - INR 4.19837	1 MXN - INR 4.19837	NA	1 MXN - INR 4.19837	INR 0.7875=1 RSD	23.541 RSD=1RON	1.8963 RSD=1MKD	INR 0.7875=1 RSD	117.2106 RSD =1EUR
Share capital	1.30	13.68	121.00	0.01	0.07	-	156.83	-	-	0.07	114.79	15.00	438.42	969	0.01	438.42	969	0.01	0.46	0.01	2.31
Reserves & surplus	142.13	875.64	5.34	929.89	-	-	(99.83)	-	-	(23.05)	41.81	(6.71)	(85.14)	454	5.28	(85.14)	454	5.28	0.41	16.12	-0.06
Total assets	150.27	1,101.67	265.64	1,223.65	-	-	456.18	-	-	129.49	211.35	8.41	563.17	1,701	33.90	563.17	1,701	33.90	2.60	23.73	19.85
Total liabilities	6.84	212.35	139.30	293.76	-	-	399.18	-	-	152.46	54.75	0.12	209.91	277	28.61	209.91	277	28.61	1.73	7.61	17.60
Investments	92.75	407.88	156.91	114.79	-	-	-	-	-	-	-	7.08	-	38	-	-	38	-	-	-	-
Turnover (incl. forex gain/loss)	53.35	2,077.76	-	1,467.07	-	-	147.26	-	-	492.45	-	-	-	776	53.90	-	776	53.90	19.85	88.32	64.30
Profit/(Loss) before taxation	43.49	312.21	119.87	341.56	-	-	(26.72)	-	-	(15.12)	24.03	0.29	(70.61)	7	3.93	(70.61)	7	3.93	(0.12)	(6.47)	0.18

Form AOC-1

Part A

Pursuant to the first proviso of sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 Statement containing the salient features of financial statements of Subsidiaries

Name of the subsidiary	(INR in Million)									
	Comstar Automotive Technology Services Private Limited	Comstar Automotive Hong Kong Ltd	Comstar Automotive Hong Kong Ltd	Comstar Automotive Hong Kong Ltd	Comstar Automotive Hong Kong Ltd	Comstar Automotive Hong Kong Ltd	Comstar Automotive Hong Kong Ltd	Comstar Automotive Hong Kong Ltd	Comstar Automotive Hong Kong Ltd	Comstar Automotive Hong Kong Ltd
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st Mar, 2025	31 st Mar, 2025	31 st Mar, 2025	31 st Mar, 2025	31 st Mar, 2025	31 st Mar, 2025	31 st Mar, 2025	31 st Mar, 2025	31 st Mar, 2025	31 st Mar, 2025
Provision for taxation	11.49	79.85	-	-	(0.00)	6.02	0.07	-	0.01	-
Profit/ (Loss) after taxation	32.00	232.36	119.87	341.56	(15.12)	18.01	0.21	(70.61)	(0.10)	(6.47)
Proposed Dividend										
% of shareholding	100%	100%	100%	100%	99%	99%	100%	100%	54%	54%

Notes:

1. Names of subsidiaries which are yet to commence operations: None
2. 2. Names of subsidiaries 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

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, 2025

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	Clean Max Nova Private Limited
1	Latest audited Balance Sheet Date	31 st March, 2025	31 st March, 2025
2	Date on which the Associate or Joint Venture was associated or acquired	25 th January, 2024	27 th May, 2024
3	Shares of Associate or Joint Ventures held by the company on the year end	26%	26%
	No.	42,716 Equity Shares	17,805 Equity Shares
	Amount of Investment in Associates or Joint Venture	INR 54.94 million	INR 14.00 million
	Extent of Holding (in percentage)	26%	26%
4	Description of how there is significant influence	Not Applicable	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.	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 53.86 million	INR 13.91 million
	Profit or (Loss) for the year		
i	Considered in Consolidation	N.A	N.A
ii	Not Considered in Consolidation	(INR 0.92 million)	(INR 0.05 million)

1. Names of associates or joint ventures which are yet to commence operations-None
2. 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

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, 2025



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 29th (Twenty-Ninth) Annual General Meeting (“AGM”) of Sona BLW Precision Forgings Limited (“Company”) will be held on **Friday, 25th July, 2025** at **01:00 P.M.** (IST), through video conferencing (“VC”) / other audio-visual means (“OAVM”) to transact the following businesses. 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, Haryana (India), which shall be the deemed venue of the AGM.

ORDINARY BUSINESS

Item No. 1: Adoption of Audited Standalone & Consolidated Financial Statements and Auditor’s Reports thereon for the Financial Year ended on 31st March, 2025.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2025 and the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

Item No. 2: Declaration of final dividend of INR 1.60 (One Indian rupee and sixty paise only) per equity share of the Company having face value of INR 10/- (Rupees ten only) each, for the Financial Year ended on 31st March, 2025.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the final dividend of INR 1.60 (One Indian rupee and sixty 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, 2025, as recommended by the Board of Directors at their meeting held on 30th April, 2025.”

Item No. 3: Re-appointment of Mr. Vivek Vikram Singh (DIN: 07698495) as 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(6) 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: Re-appointment of Mrs. Shradha Suri (DIN:00176902), as an Independent Director of the Company.

To consider and, if thought fit, to pass the following as a **Special Resolution**:

“**RESOLVED That** pursuant to the provisions of sections 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 (“Act”), read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, Mrs. Shradha Suri (DIN: 00176902), who was appointed as an Independent Director of the Company at the 24th Annual General Meeting of the Company for a period of five years, i.e., from 5th August, 2020 to 4th August, 2025 and who, being eligible for re-appointment as an Independent Director, has given her consent to act as director along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a Notice in writing from a member

under Section 160(1) of the Act, proposing her candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members be and is hereby accorded for her re-appointment as an Independent Director of the Company, not liable to retire by rotation, for the second consecutive term of 5 (five) years with effect from 5th August, 2025 up to 4th August, 2030 (both days inclusive), on such terms and conditions as approved by the Board of Directors (including its committees).

RESOLVED FURTHER THAT the Board (including its committees) be and is hereby authorised to do all such acts, deeds, matters and things, including filing the requisite forms or submission of documents with any authority and take all such steps as may, be necessary, proper or expedient to give effect to this resolution.”

Item No. 5: Re-appointment of Mr. Jeffrey Mark Overly (DIN:09041143), as an Independent Director of the Company.

To consider and, if thought fit, to pass the following as a **Special Resolution**:

“**RESOLVED That** pursuant to the provisions of sections 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 (“Act”), read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force and Articles of Association of the Company, Mr. Jeffrey Mark Overly (DIN: 09041143), who was appointed as an Independent Director of the Company at the Extra-ordinary General Meeting (EGM) of the Company held on 22nd February, 2021, for a period of five years, i.e., from 12th February, 2021 to 11th February, 2026 and who, being eligible for re-appointment as an Independent Director, has given his consent to act as director along with a declaration that he meets the criteria specified for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1) (b) of the Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members be and is hereby accorded for his re-appointment as an independent director of the Company, not liable to retire by rotation, for his second consecutive term of 5 (five) years with effect from 12th February, 2026 up to 11th February, 2031 (both days inclusive) on terms and conditions as approved by the Board of Directors (including its committees).

RESOLVED FURTHER THAT the Board (including its committees) be and is hereby authorised to do all acts, deeds and things, including filing the requisite forms or submission

of documents with any authority and take all such steps as may, be necessary, proper or expedient to give effect to this resolution.

Item No. 6: Appointment of Mrs. Priya Sachdev Kapur (DIN:02406685), as a Non-Executive Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Regulation 17(1D) and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the Nomination and Remuneration Policy and based on the approval and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors of the Company, Mrs. Priya Sachdev Kapur (DIN:02406685), who was appointed as an Additional Director under section 161(1) of the Act, in the capacity of Non-Executive Director of the Company, not being liable to retire by rotation, with effect from 23rd June, 2025, and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Director of the Company of the Company, not liable to retire by rotation, with effect from 23rd June, 2025.

RESOLVED FURTHER THAT the Board (including its committees) be and is hereby authorised to do all such acts, deeds, matters and things, including filing the requisite forms or submission of documents with any authority and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

Item No. 7: Appointment of Secretarial Auditors of the Company and fixing their remuneration.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 24A the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and provisions of Section 204 of the Companies Act, 2013 (“Act”) read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, pursuant to the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for appointment of M/s. PI &

Associates, (Firm Registration Number P2014UP035400) a peer reviewed firm of Company Secretaries, as the Secretarial Auditors of the Company for the first term for a period of 5 (five) consecutive years from the financial year 2025-26 to financial year 2029 - 2030, on such terms & conditions, including remuneration as may, be determined by the Board of Directors (hereinafter referred to as the 'Board' which expression shall include any Committee thereof or person(s) authorised by the Board).

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committees) be and are hereby authorised to do all such acts, deeds, matters, things and to take all such steps as may, be considered necessary or expedient, including the power provided under the Companies Act, 2013 and the Listing Regulations, to filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

Item No. 8: Ratification of the remuneration of the Cost Auditors of the Company for the Financial Year 2025-26.

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 375,000 (Indian rupees three hundred 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 2025-26.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committees), be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps/measures as may, be deems necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

Item No. 9: Alteration of the Object Clause of the Memorandum of Association of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (**Act**) read with applicable rules made thereunder (including any statutory modification(s) or re-enactment(s)

thereof for the time being in force) and other applicable rules, regulations and guidelines issued, if any, and subject to approval of Ministry of Corporate Affairs, and any other appropriate regulatory / statutory authorities and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authority, the consent of the members of the Company be and is hereby accorded to alter/ amend the main object clause of the Memorandum Association of the Company by inserting new sub-clauses no. 7 and 8, after the existing sub-clause no. 6 in Clause III (A) of the Memorandum of Association (**MOA**) of the Company as follows:

"7. To establish and carry on in India and abroad the business of design, manufacturing and/or assembling parts, components, assemblies, sub-assemblies of accessories, tools, equipment, spare parts, systems, sub-systems, motors, controllers, DC-DC converters, vehicle control units (VCU), chargers, electric drive unit (EDU), telematics unit, gear, gearboxes, engines, wheels, brakes, couplers, dampers, train doors, bus doors, train electrical control panels, train HVAC systems, Bus HVAC system, air springs, train pantograph system, Bogie Air Supply system, signalling systems, interiors, exteriors, sensors, radar, ADAS, cameras, LIDARS, electronic control units, energy storage systems, suspension systems, flex fuel kits, fixtures, machinery and technologies and accessories of every description or otherwise deal in all types, varieties, models, shapes, sizes, specifications, descriptions, applications, and use of replacement parts, spare parts, systems, assemblies, accessories, tools, implements, motors, power units, powertrains, transmission and propulsion systems, chassis, bodies, substances, equipment, tools, dies, jigs, structures, mould, gauges, beams, and other allied goods, articles and things for all mobility solutions and vehicles of every description of transport and purpose, includes automobiles, trawlers, trucks, tankers, buses, cycles, race cars, defence vehicles, ambulances, tempos, tractors, off-highway vehicles (OHV), motor lorries, motorcycles, mopeds, three-wheelers, scooters, vans, golf carts, jeeps, omnibuses, tanks, trains, locomotives, metros, monorails, and high-speed rail systems, all kinds of railways/train, electric vertical take-off and landing aircraft (eVTOL), drones, aircraft, airplanes, helicopters, aerial vehicle, ships, vessels, submarines, yachts, boats, hovercrafts, robotics, robots, humanoids, pods, automated guided vehicles (AGV), Autonomous Mobile Robots (AMR), aerial vehicles, amphibious vehicles, space vehicles, rockets, intelligent and innovative transport systems and any other transportation systems designed for humans, goods, services, animal transport, or specialised purposes such as military, emergency services, or industrial applications including residential, office, factories and to do all incidental acts and things necessary for the attainment of mobility solutions as above description.

8. To establish and carry on in India and abroad the business of design, manufacturing and/or assembling or otherwise deal in all types of parts, components,

assemblies, sub-assemblies of electronic and electrical equipment, instruments, components and parts for consumer electronics and appliances, telecommunications, space application, automotive electronics, artificial intelligence, industrial applications including integrated circuits and packages, semiconductor devices, chips, television sets, video recorders and computer peripherals, monitors, micro-processors, logic controllers and other control equipment, all types of radar, cameras, LIDARS, transmitters and receivers, telephone, switching equipment and systems, calculators and digital electronic devices and instruments."

RESOLVED FURTHER THAT the Board (including its committees) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary in relation to the above including the matters incidental thereto including but not limited to signing and filing all the e-forms and other documents with the statutory authorities along with the Ministry of Corporate Affairs and to execute all such documents, instruments and writings as may be necessary, or otherwise deal in all types of proper, desirable or expedient, in the best interest of the Company, to accede

NOTES:

1. A statement under Section 102 of the Companies Act, 2013 (**"Act"**) and/or as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) concerning the special business under Item Nos. 4, 5, 6 and 7 of the Notice is annexed herewith. Further, additional information in respect of Item No. 3 of the Notice is also annexed herewith.
2. The Ministry of Corporate Affairs (**"MCA"**) vide its circular dated 19th September, 2024, 25th September, 2023, 28th December, 2022, 5th May, 2022, 14th December, 2021 read with circulars dated 13th January, 2021, 5th May, 2020, 8th April, 2020 and 13th April, 2020 (collectively referred to as **"MCA Circulars"**) and Securities and Exchange Board of India vide its circulars dated 3rd October, 2024, 7th October, 2023, 5th 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, 2025. In compliance with the provisions of the Act, the Listing Regulations, MCA Circulars and SEBI Circulars, this 29th 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

to such modifications and alterations to the aforesaid resolution as may be suggested by the Ministry of Corporate Affairs or such other Authority arising from or incidental to the said amendment and to delegate all or any of the powers conferred herein as they may deem fit."

By Order of the Board
SONA BLW Precision Forgings Limited

Ajay Pratap Singh
Senior Vice President - Group General Counsel,
Company Secretary and Compliance Officer
Membership No. F5253

Place: Gurgaon
Date: 23rd June, 2025

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

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 2024-25 is being sent through electronic mode only to those members whose e-mail address is registered with their Depository Participants as on **Friday, 27th June, 2025**. Members may note that the notice and Annual Report of Financial year 2024-25 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.
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, Firm of Practicing Company Secretaries, as the scrutiniser to scrutinise the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.
6. The scrutiniser will, after the conclusion of e-voting at the AGM, scrutinise the votes casted at the meeting, votes casted through remote e-voting and make a consolidated scrutiniser'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 scrutinisers report shall be displayed at the registered office and 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 and the National Stock Exchange of India Limited ("NSE").
8. 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 the 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 with their Depositories Participant.
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 regulatory purposes.
13. Members are requested to register/ update their email addresses/electronic bank mandate by contacting their respective Depository Participant.
14. Since the AGM will be held through VC/ OAVM, the route map of the venue of the meeting is not annexed hereto.
15. The members, whose names appear in the Register of Members / list of Beneficial Owners as on the **cut-off**

date i.e., Friday, 18th July, 2025, 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.

16. 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. **25th July, 2025** and also during the AGM. Members seeking to inspect such documents can send an email at investor@sonacomstar.com.
17. The final dividend for the financial year ended 31st March, 2025 as recommended by the Board, if approved at the AGM, will be paid to only those members whose name will appear in the Beneficial Owner as per the record of depositories as on **Friday, 4th July, 2025**.

Members are requested to update/register electronic bank mandate with their depository participant, for the purpose of receiving the dividends directly in their bank account(s) on pay-out date.

18. Members 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 Participant. The Company or the Share Transfer Agent will not act on any direct request from such members for change/ deletion in bank details.
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.

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, 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 10,000/-**, 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	1. A self-declaration that they are governed by the provisions of Section 10(23D) of the Income-tax Act, 1961; 2. Self-attested copy of SEBI registration certificate; and 3. Self-attested copy of PAN.
Insurance Companies	1. 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; 2. Self-attested copy of IRDA registration certificate; and 3. Self-attested copy of PAN.

Category of shareholder	Exemption applicability / Documentation requirement
Category I and II Alternative Investment Fund ("AIF")	1. 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; 2. Self-attested copy of SEBI registration certificate; and 3. Self-attested copy of PAN.
Other non-individual resident shareholder	1. A self-declaration that dividend receivable by them is exempt from deduction of tax under Section 196 or other relevant provisions of the Income-tax Act, 1961; and 2. 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:

- a) 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>)
- b) Self-attested copy of Tax Residency Certificate ("TRC") (for the period April, 2025 to March, 2026) obtained from the tax authorities of the country of which the shareholder is a resident.
- c) Self-declaration in electronic Form 10F is required.
- d) Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (for the period April, 2025 to March, 2026) (for format click <https://sonacomstar.com/investor/corporate-announcements>).

- e) In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
- f) 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.

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 **Thursday, 10th July, 2025**.

Kindly note that no communication/documents on the tax determination/ deduction shall be considered post 11:59 PM (IST) of **Thursday, 10th July, 2025**.

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, 22nd July, 2025 at 9:00 A.M. (IST)** and ends on **Thursday, 24th July, 2025 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, 18th July, 2025** may cast their vote electronically. The voting right of members shall be in proportion to their share **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 9th 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.	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.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.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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.
Individual Shareholders holding securities in demat mode with CDSL	- 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
Other non-individual resident shareholder	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. 1800-21-09911

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.nsdl.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.nsdl.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*****.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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’.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

- If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- 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.

- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- Now, you will have to click on “Login” button.
- 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?

- 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.
- 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”.
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message “Vote cast successfully” will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 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 Scrutiniser 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.
- 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.nsdl.com to reset the password.

- 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.nsdl.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:

- 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.**
- 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.
- In terms of SEBI circular dated 9th 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.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 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 EGM/AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.
- 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 Desktops/laptops with high-speed internet connectivity, 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 1st July, 2016. He was appointed as Managing Director and Group Chief Executive Officer of the Company with effect from 5th July, 2019 and was re-appointed as Managing Director and Group Chief Executive Officer with effect from 5th July, 2022 for a term of five years. He has been associated with the Company for more than 8 (eight) 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 joining the Company, 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 two decades of experience, including 9 (nine) 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.

In 2024, he was awarded “CEO of the Year” by Pro MFG Media and also received the “Young Alumni Achiever's Award 2023-24” from his alma mater, IIM Ahmedabad. He

was also awarded “Entrepreneurial CEO of the Year” by EY India in 2022 and adjudged by the Economic Times as one of India's “40 under Forty hottest business leaders” in the awards' 2018 edition. He is the also chairperson of ACMA's (Automotive Component Manufacturers Association's) Electric Mobility and Telematics Pillar and a member of ACMA's Executive Committee.

Pursuant to section 152(6) of the Act, 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, offers 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**.

None of the directors and key managerial personnel of the Company including their relatives except Mr. Vivek Vikram Singh, to whom the resolution relates, is interested in or concerned, financially or otherwise, in this resolution.

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

Mrs. Shradha Suri (DIN: 00176902) was appointed as an Independent Director of the Company pursuant to Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (**"the Appointment Rules"**), at the 24th Annual General Meeting of the Company held on 31st December, 2020, for a period of five years, i.e., from 5th August, 2020 to 4th August, 2025. Basis the same her first term as an independent director of the Company shall come to an end on 4th August, 2025.

In accordance with the provisions of Section 149 of the Act, an independent director may hold office for two consecutive terms of up to 5 (five) years each.

In view of the Board, Mrs. Shradha Suri, is a person of integrity, possesses relevant expertise / experience and possess diverse skills, 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 and vast business experience, among others, which are being key requirements for this role.

Also, the Nomination and Remuneration Committee (**NRC**), after considering the performance evaluation of Mrs. Shradha Suri and considering her skills, knowledge, expertise, experience and her substantial contribution in the Board, has recommended to the Board for her re-appointment for the second consecutive term of five years, i.e., from 5th August, 2025 up to 4th August, 2030 (both days inclusive).

The Company has received all the Statutory disclosures/ declarations from Mrs. Suri including:

- I. the consent in writing from Mrs. Suri, to act as Director in Form DIR 2 pursuant to provisions of the Act;
- II. the intimation in Form DIR 8 stating that she is not disqualified to act as a director under the Act;
- III. Notice of disclosure of interest in the Form MBP-1 under Section 184 of the Act.
- IV. a declaration stating that she meets the criteria specified for independence under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence;
- V. a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June, 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June, 20, 2018 that she has not been debarred from holding office of a Director by virtue of any order passed by the Securities

and Exchange Board of India ("SEBI") or any other such authority;

- VI. A notice in writing is also received from a member proposing her candidature under Section 160(1) of the Act.

Based on the performance evaluation of Mrs. Suri, including her significant contributions during her tenure as an Independent Director, consistent attendance exceeding 87% at Board Meetings during her current tenure, and her recognised experience, expertise and affiliations with the Automotive Components Manufacturers Association (ACMA) and Confederation of Indian Industry (CII), the NRC and the Board is of the opinion that Mrs. Suri possesses requisite qualifications and expertise for this role. Furthermore, she fulfils all the conditions specified in the Act read with rules made thereunder and Listing Regulations for her re-appointment as an independent director of the Company.

Pursuant to the section 149, 152 of the Act and rules made thereunder and applicable provisions of the Listing Regulations, the Board in its meeting held on 30th April, 2025, based on the recommendation of the NRC approved and recommended to the shareholders for re-appointment of Mrs. Shradha Suri as an Independent Director of the Company for second consecutive term of 5 (five) years with effect from 5th August, 2025 up to 4th August, 2030 (both days inclusive).

The remuneration payable to Mrs. Suri is within the applicable limit under the Act and Listing regulations and as per the Nomination and Remuneration Policy of the Company available on the website of the Company at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-DqCLrU.pdf>.

A copy of the draft letter for the re-appointment of Mrs. Suri as an Independent Director, setting out the terms and conditions of the re-appointment is available on the website of the Company at <https://sonacomstar.com/files/documents/terms-of-appointment-re-appointment-of-independent-directors-document-Pd816e.pdf>

Brief Profile

Mrs. Shradha Suri (DIN: 00176902) is the Chairperson & Managing Director of Subros Ltd. Established in 1985, Subros Ltd is a joint venture between the Indian Promoters, Suzuki Motor Corporation, Japan and DENSO Corporation, Japan. The Company is recognised as a market leader in Thermal products and technologies and is in technical collaboration with DENSO Corporation Japan.

Mrs. Shradha Suri is also the elected President (2023-25) of Automotive Components Manufacturers Association (ACMA). She is also the Chairperson of Pillar 2 (Government Affairs & Strategic Affairs) and Pillar 5 (Media, Image building and PR Comm) at the association.

She is part of the National Council of Confederation of Indian Industry (CII) for the term 2023-24 and holds various other key positions within the Confederation of Indian Industry (CII).

Mrs. Shradha Suri has a Bachelor's degree in Economics from the University of Delhi. She also went on to earn two post-graduate degrees, a master's in management and a Masters in Economics & Information Systems from The London School of Economics and Political Science (LSE), University of London. She has over 23 years of experience in the automotive industry.

She also holds the position of Director on the boards of ACMA Mobility Foundation, Globalydk Electric Private Limited, Prima Infratech Private Limited, Rohan Motors Ltd., Automotive Component Manufacturers Association of India, and R R Holdings Private Limited."

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**.

None of the directors and key managerial personnel of the Company including their relatives except Mrs. Shradha Suri, to whom the resolution relates, is interested in or concerned, financially or otherwise, in this resolution.

The Board recommends the **Special Resolution** as set out in **Item No. 4** of this notice for the approval of members.

Rationale:

The Board has thoroughly evaluated Mrs. Suri's performance and contributions to the Company during her current tenure as an Independent Director. Mrs. Suri attended more than **87%** of the total Board's meetings held during her tenure. Furthermore, the Board also considered the need for diversity on the Board, her extensive expertise and experience in automotive industry and across diverse fields, and her current position as Chairperson and Managing Director of Subros Ltd and her association with the automobile industry and association with ACMA and CII.

The Board is of the opinion that Mrs. Suri's continued association would significantly benefit the Company's sustained growth and success.

ITEM NO. 5

Mr. Jeffrey Mark Overly (DIN: 09041143) was appointed as an Independent Director of the Company pursuant to Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (**"Appointment Rules"**), at the Extra-ordinary General Meeting (**EGM**) of the Company held on 22nd February, 2021, for a period of 5 (five) years, i.e., from 12th February, 2021 to 11th February, 2026 (both days inclusive). Basis the same, his first term as an Independent director of the Company will come to an end on 11th February, 2026.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an independent director may hold office for two consecutive terms up to 5 (five) years each.

In view of the Board, Mr. Jeffrey, is a person of integrity, possesses relevant expertise / experience and possess diverse skills, 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 and vast business experience, among others, which are being key requirements for this role.

The Nomination and Remuneration Committee (**NRC**), after considering the performance evaluation of Mr. Overly and considering his skills, knowledge, expertise, experience and substantial contribution, has recommended to the Board for his re-appointment for the second consecutive term of 5 (five) years, i.e., from 12th February, 2026 up to 11th February, 2031 (both days inclusive).

The Company has received all the statutory disclosures/ declarations, including:

- I. the consent in writing from Mr. Jeffrey, to act as Director in Form DIR 2 pursuant to provisions of the Act;
- II. the intimation in Form DIR 8 stating that he is not disqualified under the Act;
- III. Notice of disclosure of interest in the Form MBP-1 under Section 184 of the Act.
- IV. a declaration stating that he meets the criteria specified for independence under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence;
- V. a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June, 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June, 20, 2018 that he has not been debarred from holding office of a Director by virtue of any order passed by the Securities and Exchange Board of India ("SEBI") or any other such authority;
- VI. A notice in writing is also received from a member proposing his candidature under Section 160(1) of the Act.

Based on the performance evaluation of Mr. Jeffrey, including his significant contributions during his tenure as an Independent Director, 100% attendance at Board and Committee's meetings during his current tenure, and his qualification and experiences, the Board is of the opinion that he possesses the requisite qualifications and expertise for this role. Furthermore, he fulfils all the conditions specified in the Act read with rules made thereunder and Listing Regulations for his reappointment as an independent director of the Company and he is independent of the Management of the Company.

Pursuant to the section 149, 152 of the Companies Act and rules made there under and applicable provision of

the Listing Regulations, the Board in its meeting held on 30th April, 2025, based on the recommendation of the NRC considered and recommended to the shareholders for re-appointment of Mr. Jeffrey as an Independent Director of the Company for second consecutive term of 5 (five) years with effect from 12th February, 2026 up to 11th February, 2031.

The remuneration payable to Mr. Overly is within the applicable limit under the Act and Listing regulations and as per the Nomination and Remuneration Policy of the Company available on the website of the Company at <https://sonacomstar.com/files/policy/nomination-and-remuneration-policy-policy-DqCLrU.pdf>.

A copy of the draft letter of the reappointment of Mr. Jeffrey as an Independent Director, setting out the stipulations of the appointment is available on the website of the Company at <https://sonacomstar.com/files/documents/terms-of-appointment-re-appointment-of-independent-directors-document-Pd816e.pdf>.

BRIEF PROFILE

Mr. Overly holds a bachelor's degree of science in industrial management from the University of Cincinnati and has a Master's degree in business from Central Michigan University. He has over 43 years of operating experience.

Mr. Overly was an Operating Partner in the Corporate Private Equity Group, based in New York, at the time of his retirement from Blackstone Group in 2018 and continue to support Blackstone by serving on their numerous portfolio company board. Mr. Overly was involved in monitoring, advising and supporting with lean operational excellence, and supply chain improvement, strategic opportunities in Blackstone's global portfolio company holdings. Before Joining Blackstone in 2008, Mr. Overly has held the position of Vice President of Global Fixture Operations at Kohler Company, where he was responsible for its global manufacturing operations including the entire supply chain from procurement to shipment of finished product through a multi warehouse Regional Distribution Centre network. Prior to that, Mr. Overly has served 25 years at General Motors Corporation and Delphi Corporation in numerous Operations and Engineering positions with global responsibilities.

Mr. Overly is also an Independent Director on the board on Performance Food Group, Fortrex, Inc. Ltd. (earlier known as Packer Sanitation Services Incorporated), Comstar Automotive USA LLC, a wholly owned subsidiary of the Company and a Director on the Board of Sabre Industries, Inc and Supply One, Inc.

The members may note that the Board of Directors of the Company in its meeting held on 23rd June, 2025, appointed Mr. Jeffrey Mark Overly as the Chairperson of the Board of the Company.

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**.

None of the directors and key managerial personnel of the Company including their relatives except Mr. Jeffrey M.

Overly, to whom the resolution relates, is interested in or concerned, financially or otherwise, in this resolution.

The Board recommends the **Special Resolution** as set out in **Item No. 5** of this notice for the approval of members.

Rationale:

The Board has thoroughly evaluated Mr. Jeffrey's performance and contributions to the Company during his current tenure as an Independent Director. It was also noted that he has attended all (100%) the Board and Committee's meetings held during his tenure. Furthermore, the Board considered need for diversity on the Board, his extensive expertise and experience in automotive industry and across diverse fields and after careful deliberation, the Board is of the opinion that Mr. Jeffrey's continued association would significantly benefit the Company's sustained growth and success.

ITEM NO. 6

Pursuant to Section 152, 161 and other applicable provisions of the Companies Act, 2013 (**Act**), read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), the Company has received a notice of candidature under section 160 of the Act, from M/s. Aureus Investment Private Limited, one of the promoters and shareholders of the Company, and based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board at its meeting held on 23rd June, 2025, has appointed Mrs. Priya Sachdev Kapur (DIN-02406685) as an Additional Non-Executive Director of the Company with effect from 23rd June, 2025, subject to the approval of the shareholders in the ensuing Annual General Meeting.

In view of the Nomination and Remuneration Committee (NRC) and the Board, Mrs. Priya Sachdev Kapur possesses relevant expertise/experience and diverse skills and knowledge including but not limited to strategic thinking, planning and management, entrepreneurial and leadership skills, accounting, legal and financial management expertise, global exposure, regulatory compliance and stakeholder management, and vast business experience, among others, which are being key requirements for this role as previously identified by the Board.

The NRC, after considering her skills, knowledge, expertise, experience and that contribution that she can bring to the Board, has recommended to the Board her appointment as a Non -Executive Director, not liable to retire by rotation, with effect from 23rd June, 2025.

The Company has received all the statutory disclosures/ declarations from Mrs. Priya Sachdev Kapur including:

- I. the consent in writing from Mrs. Priya Sachdev Kapur, to act as Director in Form DIR-2 pursuant to provisions of the Act.
- II. the intimation in Form DIR-8 stating that she is not disqualified to act as a director under the Act.

III. Notice of disclosure of interest in the Form MBP-1 under Section 184 of the Act.

IV. a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 that she has not been debarred from holding office of a Director by virtue of any order passed by the Securities and Exchange Board of India ("SEBI") or any other such authority.

V. A notice in writing is also received from a member proposing her candidature under Section 160(1) of the Act.

Mrs. Priya Sachdev Kapur's appointment on the Board shall be subject to provisions of Regulation 17(1D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherein her continuation on the board of directors of the Company shall be subject to the approval of the shareholders in a general meeting at least once in every five years from the date of her appointment.

The Board noted that Mrs. Priya Sachdev Kapur's skills, background and experience are aligned to the role and capabilities identified by the NRC and that Mrs. Priya Sachdev Kapur is eligible for appointment as a Non-Executive Director. The Board considered that the appointment of Mrs. Priya Sachdev Kapur is recommended due to the following amongst others, before making recommendation to the shareholders for appointment of Mrs. Priya Sachdev Kapur as the Non-Executive Director:

- a) Mrs. Priya Sachdev Kapur graduated with a BSc. with a double major in Mathematics and Business Management from University College London (UCL).
- b) Mrs. Priya Sachdev Kapur was a former investment banker and is a luxury retail pioneer. Mrs. Kapur began her career at Credit Suisse First Boston in London as an M&A analyst.
- c) She led ventures in automotive retail, insurance, and later, high fashion.
- d) Mrs. Priya Sachdev Kapur is committed to philanthropy, lending her time, resources on sustainability and long-term impact, particularly in supporting education for marginalised children and institutions for the visually impaired.

The remuneration payable to Mrs. Priya Sachdev Kapur, in the form of commission and sitting fees, is as at par with the remuneration payable to other non-executive directors of the Company, which is within the applicable limit under the Act and within the overall remuneration limit approved by the shareholders of the Company in its Annual General Meeting held on 9th September, 2021.

Brief Profile of Mrs. Priya Sachdev Kapur:

"Mrs. Priya Sachdev Kapur is a multifaceted entrepreneur and investor whose journey has spanned continents,

industries, and ideas. Currently serving as Director at Aureus Investment Private Limited, she plays an active role in shaping its investment strategy. Whether it's scouting early-stage ventures or supporting purposeful enterprises that align with her values, Priya brings insight, instinct, and an eye for long-term value creation.

A former investment banker and luxury retail pioneer, Priya began her career at Credit Suisse First Boston in London as an M&A analyst, before returning to India to lead ventures in automotive retail, insurance, and later, high fashion. She founded TSG International Marketing Pvt. Ltd., bringing global fashion houses like Moschino, Lanvin, and Jean Paul Gaultier to India, and co-created Rock N Shop, one of the country's first luxury e-commerce platforms.

Mrs. Priya Sachdev Kapur is deeply engaged in wellness and arts, an accomplished pianist, a yoga practitioner, and a self-taught artist whose canvases reflect a thoughtful, expressive style. A spirited sports enthusiast, Mrs. Priya Sachdev Kapur has played competitive basketball through school and university, and continues to pursue tennis, paddle, and horse riding with equal passion. Her connection to the equestrian world goes beyond the saddle.

Beyond business and personal pursuits, Mrs. Priya Sachdev Kapur is committed to philanthropy, lending her time, resources, and voice to ventures that reflect her values of equity, empowerment, sustainability and long-term impact, particularly in supporting education for marginalised children and institutions for the visually impaired.

Mrs. Priya Sachdev Kapur graduated with a BSc. with a double major in Mathematics and Business Management from University College London (UCL). She completed her A-levels in Mathematics, Biology, and Art from The British School, New Delhi.

Mrs. Priya Sachdev Kapur is the wife of Late Mr. Sunjay Kapur (Chairman and Non-Executive Director), who passed away on 12th June 2025. Late Mr. Sunjay Kapur served as the Chairman of the Company, one of the global leaders in mobility technology, and was a transformative figure in India's automotive landscape. Mr. Kapur's leadership was marked by strategic foresight, global expansion, and an unwavering commitment to innovation and sustainability.

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**.

None of directors, key managerial personnel or their relatives except Mrs. Priya Sachdev Kapur, to whom the resolution relates is interested in or concerned with the resolution.

The Board recommends the **Ordinary resolution** as set out in **Item No. 6** of this notice for the approval of members.

Rationale: Mrs. Priya Sachdev Kapur will bring a unique blend of global investment experience, entrepreneurial and philanthropy and purpose-driven leadership. Her diverse

background and values-driven approach to business enable her to offer insightful, long-term perspectives to board-level decision-making. The Board is of the opinion that Mrs. Priya Sachdev Kapur's association would significantly benefit the Company's sustained growth and success.

ITEM NO. 7

Pursuant to the provisions of Section 204 of the Act and erstwhile regulation 24A of the Listing Regulations, the Board of Directors of the Company earlier follows a practise for appointment of Secretarial Auditors of the Company every year based on the recommendation of the Audit Committee. Accordingly, M/s. PI & Associates, a Peer Reviewed Firm of Company Secretaries, served as the Secretarial Auditor of the Company since the financial year 2021-22 till financial year 2024-25 and has completed 4 (four) years.

Pursuant to amendment in Regulation 24A of the Listing Regulations through Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, the following additional requirements are required to be complied for appointment of a Secretarial Auditor of the Company:

- Every listed entity must undertake a secretarial audit by a Secretarial Auditor who is a Peer Reviewed Company Secretary.
- The Board of Directors shall recommend the appointment or reappointment of a Secretarial Audit Firm as Secretarial Auditor for not more than two terms of five consecutive years.

Any prior association of the individual or the firm as the Secretarial Auditor of the listed entity before 31st March, 2025 shall not be considered for the purpose of calculating the tenure.

- Approval of shareholders at the Annual General Meeting ("AGM").

As per the aforesaid amendment, M/s. PI & Associates is eligible for appointment as the Secretarial Auditors of the Company for 2 (two) terms of five consecutive years.

Considering their expertise and proficiency in handling secretarial audits of the Company the Audit Committee and the Board of Directors, subject to approval of Members, have approved and recommended the appointment of M/s. PI & Associates, a Peer Reviewed Firm of Company Secretaries in practise, as the Secretarial Auditor of the Company for first term of 5 (five) consecutive years, from the financial year 2025-2026 to financial year 2029-2030.

Profile:

Ms/PI&Associates is a firm of Practicing Company Secretaries situated in New Delhi and the firm has been Peer Reviewed

by the Institute Company Secretaries of India (ICSI), ensuring the highest standards in professional practices.

The Firm providing comprehensive professional services in Secretarial Audit, Corporate Governance, Reserve Bank of India (RBI) matters, Corporate Laws and Due Diligence.

Remuneration:

The Board of Directors based on the recommendation of the Audit Committee also approved the remuneration of INR 300,000 (Indian rupees three hundred thousand) for the financial year 2025-2026 plus applicable taxes, along with reimbursement of out-of-pocket expenses, if any incurred in connection with the audit on an actual basis. Further, the Board is proposed to be authorised to fix the remuneration of the Secretarial Auditors for each of the other financial years during their term of appointment.

The payment for other permissible services in the nature of certifications will be in addition to the Secretarial audit fee and shall be determined by the Audit Committee and/or the Board of Directors.

The eligibility and qualification certificate, consent letter for appointment and the Peer review Certificate received from M/s. PI & Associates is available for inspection.

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 **Ordinary Resolution** as set out in **Item No. 7** of this notice for the approval of members.

Rationale:

The Audit Committee and the Board of Directors have recommended and approved the aforementioned appointment of Secretarial Auditors for approval of Members taking into account the eligibility of the firm, their understanding on the various laws including corporate law, experience and expertise of the Partners in providing Secretarial audit related services, and Company's previous experience based on the evaluation of the quality of audit work done by them in the past.

The Board is of the view the Secretarial Auditor possesses the relevant skills and expertise in relations to the secretarial audit of the Company.

ITEM NO. 8

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 30th April, 2025, 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 (including the audit of the cost records of the Railways Business acquired

by the Company from Escorts Kubota Limited), pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the financial year 2025-26, at a remuneration of INR 375,000 (Indian rupees three hundred 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 2025-26.

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 2025-26.

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.8** of this notice for the approval of the members as an **Ordinary Resolution**.

Rationale: The Board is of the view that the Company complies with the applicable laws and regulations and the Cost Auditor possess the relevant skills and expertise in relations to the cost audit of the Company.

ITEM NO. 9

The Board of Directors in their meeting held on 23rd June, 2025 has approved and recommended to the shareholders, amendment in the main object clause (III)(A) of the Memorandum of Association of the Company.

The Board is of the view that in line with the vision and mission statement of the Company, the Company aspires to transcend to a global mobility technology company in all spheres of mobility. In this regard, it is recommended to widen the existing objects enumerated in the main objects clause in the Memorandum of Association (**MOA**) of the Company to enable the Company to capitalise on the potential opportunities, as and when appropriate.

To achieve this the Company is required to amend its Objects Clause of the Memorandum of Association (**MOA**) and includes every type of goods used in every form of mobility. The Board of Directors considered the above requirements and approved and recommended shareholders to alter/amend by inserting new sub-clauses no. 7 and 8, after the existing sub-clause no. 6 in Clause III (A) of the Memorandum of Association (**MOA**) of the Company as follows:

- To establish and carry on in India and abroad the business of design, manufacturing and/or assembling parts, components, assemblies, sub-assemblies of accessories, tools, equipment, spare parts, systems, sub-systems, motors, controllers, DC-DC converters, vehicle control units (VCU), chargers, electric drive unit (EDU), telematics unit, gear, gearboxes, engines, wheels, brakes, couplers, dampers, train doors, bus doors, train electrical control panels, train HVAC systems, Bus HVAC system, air springs, train pantograph system, Bogie Air Supply system, signalling systems, interiors, exteriors, sensors, radar, ADAS, cameras, LIDARS, electronic control units, energy storage systems, suspension systems, flex fuel kits, fixtures, machinery and technologies and accessories of every description or otherwise deal in all types, varieties, models, shapes, sizes, specifications, descriptions, applications, and use of replacement parts, spare parts, systems, assemblies, accessories, tools, implements, motors, power units, powertrains, transmission and propulsion systems, chassis, bodies, substances, equipment, tools, dies, jigs, structures, mould, gauges, beams, and other allied goods, articles and things for all mobility solutions and vehicles of every description of transport and purpose, includes automobiles, trawlers, trucks, tankers, buses, cycles, race cars, defence vehicles, ambulances, tempos, tractors, off-highway vehicles (OHV), motor lorries, motorcycles, mopeds, three-wheelers, scooters, vans, golf carts, jeeps, omnibuses, tanks, trains, locomotives, metros, monorails, and high-speed rail systems, all kinds of railways/train, electric vertical take-off and landing aircraft (eVTOL), drones, aircraft, airplanes, helicopters, aerial vehicle, ships, vessels, submarines, yachts, boats, hovercrafts, robotics, robots, humanoids, pods, automated guided vehicles (AGV), Autonomous Mobile Robots (AMR), aerial vehicles, amphibious vehicles, space vehicles, rockets, intelligent and innovative transport systems and any other transportation systems designed for humans, goods, services, animal transport, or specialised purposes such as military, emergency services, or industrial applications including residential, office, factories and to do all incidental acts and things

necessary for the attainment of mobility solutions as above description.

8. To establish and carry on in India and abroad the business of design, manufacturing and/or assembling or otherwise deal in all types of parts, components, assemblies, sub-assemblies of electronic and electrical equipment, instruments, components and parts for consumer electronics and appliances, telecommunications, space application, automotive electronics, artificial intelligence, industrial applications including integrated circuits and packages, semiconductor devices, chips, television sets, video recorders and computer peripherals, monitors, micro-processors, logic controllers and other control equipment, all types of radar, cameras, LIDARs, transmitters and receivers, telephone, switching equipment and systems, calculators and digital electronic devices and instruments.”

This alteration in Object Clause of MOA of the Company, if approved by the members shall be registered with the Registrar of Companies, National Capital Territory of Delhi and Haryana (**ROC**), as per the provisions of the Companies Act, 2013 and rules made thereunder, with such modifications as may be advised by the ROC.

A copy of the Memorandum of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office during normal business hours on all working days (except Saturday and Sunday).

As per Section 13 of the Companies Act, 2013, any alteration to the Object Clause of the Memorandum of Association of the Company requires approval of the Members by passing Special Resolution.

None of the Directors or the Key Managerial Persons of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution as set out at the accompanying Notice except to the extent of their shareholding.

The Board recommends passing the resolution set out at **Item No. 9** as a **Special Resolution**.

Rationale: This expansion in the object clause of the Memorandum of Association of the Company is in consonance with the Company's long-term vision and aims to leverage and expand the Company's existing capabilities and infrastructure in order to tap into the emerging sectors in mobility in the future, thereby enhancing shareholder value and ensuring sustainable growth.

By Order of the Board
SONA BLW Precision Forgings Limited

Ajay Pratap Singh
Senior Vice President- Group General Counsel,
Company Secretary and Compliance Officer
Membership No. F5253

Place: Gurgaon
Date: 23rd June, 2025

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

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

Name of director	Mrs. Shradha Suri	Mr. Jeffrey Mark Overly	Mr. Vivek Vikram Singh	Mrs. Priya Sachdev Kapur
Director Identification Number (DIN)	00176902	09041143	07698495	02406685
Age	47	67	45	48
Designation/ category of the Director	Independent Director	Independent Director	Managing Director and Group Chief Executive Officer	Non-Executive Director
Date of Birth	22 nd March 1978	27 th April 1958	24 th July 1979	15 th December, 1977
Qualifications	Bachelor's degree in Economics from the University of Delhi and two post-graduate degrees, a master's in management and a Masters in Economics & Information Systems from The London School of Economics and Political Science (LSE), University of London.	Bachelor's degree of science in industrial management from the University of Cincinnati and a master's degree of science in admin from Central Michigan University	Bachelor's degree in technology (computer science and engineering) from HBTI, Kanpur and post graduate diploma in management from the Indian Institute of Management, Ahmedabad.	Mrs. Priya Sachdev Kapur graduated with a BSc. with a double major in Mathematics and Business Management from University College London (UCL).
Date of first appointment on Board of the Company	5 th August 2020	12 th February 2021	5 th July 2019	23 rd June, 2025
Directorships held in other companies	Subros Limited ACMA Mobility Foundation Globalydk Electric Private Limited Prima Infratech Private Limited Rohan Motors Ltd Automotive Component Manufacturers Association of India R R Holdings Private Limited.	Performance Food Group Fortrex, Inc. Ltd (Earlier Known as Packer Sanitation Services Incorporated) Comstar Automotive USA LLC Sabre Industries, Inc. Supply One, Inc	Varmora Granito Private Limited Ionesco Cayman Investment Limited Ionesco Cayman Limited	TSG Enterprises Private Limited TSG International Marketing Private Limited Bhodhi Dharma Entertainment & Productions Private Limited Harpreet Insurance Agents Private Limited Rock n shop Private Limited Aureus Investment Private Limited (Formerly known as Sona Autocomp Holding Private Limited)
Number of Equity Shares held in the Company (including shareholding as a beneficial owner)	145 equity shares	Nil	2,12,550 equity shares	While Ms. Priya Sachdev Kapur does not directly hold any shares in the Company, the shareholder Aureus Investment Private Limited (which in turn is controlled by RK Family Trust of which Ms. Priya Sachdev Kapur, is a beneficiary), a promoter of the Company holding 174,208,904 equity shares constituting 28.02% of the Company's share capital.

Name of director	Mrs. Shradha Suri	Mr. Jeffrey Mark Overly	Mr. Vivek Vikram Singh	Mrs. Priya Sachdev Kapur					
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 Explanatory Statement in item no. 5 of this Notice.	As mentioned in Additional Information in respect of Item No. 3 of this Notice.	As mentioned in the Explanatory Statement in item no. 6 of this Notice.					
Inter-se relationships with directors and key managerial personnel	NA	NA	NA	NA					
Directorship and Committee membership held in Listed companies (other than SONA BLW)	<table><tr><th>Director- ship held in Listed Company</th><th>Committee member- ship</th><th>Position</th></tr><tr><td>Subros Limited</td><td>1)SRC 2)CSR</td><td>1) Member 2) Member</td></tr></table>	Director- ship held in Listed Company	Committee member- ship	Position	Subros Limited	1)SRC 2)CSR	1) Member 2) Member	NA	NA
Director- ship held in Listed Company	Committee member- ship	Position							
Subros Limited	1)SRC 2)CSR	1) Member 2) Member							
Key terms and conditions of re- appointment	As mentioned in the explanatory statements	As mentioned in the explanatory statements	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.	As mentioned in the explanatory statements					
Resignation from Listed Entities as Director in past 3 years	Asahi India Glass Ltd. Uniparts India Ltd.	NA	NA	NA					
Remuneration last drawn (including sitting fees, if any)	INR 5.50 million per annum and sitting fees for attending Board and Committee meetings	USD 1 million per annum and sitting fees for attending Board and Committee meetings	As mentioned in the Corporate Governance Report.	NA					

Name of director	Mrs. Shradha Suri	Mr. Jeffrey Mark Overly	Mr. Vivek Vikram Singh	Mrs. Priya Sachdev Kapur
Remuneration proposed to be paid	The Board of Directors on the recommendation of Nomination and Remuneration Committee approved the fix remuneration of INR 55,00,000 (Indian Rupees Fifty five lacs) (excluding the sitting fees) per annum (proportionate to the number of days if less than a year), in addition to the sitting fees payable to Mrs. Suri , as Non-Executive and Independent Director, for the term of her re-appointment, which is within the overall limit approved by Shareholders of the Company at the Annual General Meeting ("AGM") held on September 9, 2021	The Board of Directors on the recommendation of Nomination and Remuneration Committee approved the fix remuneration of USD 1 million per annum (excluding the sitting fees) per annum (proportionate to the number of days if less than a year), in addition to the sitting fees payable to Mr. Overly , as Non-Executive and Independent Director, for the term of his re-appointment, which is within the overall limit approved by Shareholders of the Company at the Annual General Meeting ("AGM") held on September 9, 2021.	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.	The Board of Directors on the recommendation of Nomination and Remuneration Committee approved the fix remuneration of INR 55,00,000 (Indian Rupees Fifty five lacs) (excluding the sitting fees) per annum (proportionate to the number of days if less than a year), in addition to the sitting fees payable to Mrs. Kapur, as Non-Executive and Independent Director w.e.f. 23 rd June 2025, which is within the overall limit approved by Shareholders of the Company at the Annual General Meeting ("AGM") held on September 9, 2021.
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 Explanatory Statement of this Notice	As mentioned in the Explanatory Statement of this Notice	As mentioned in the Corporate Governance Report.	As mentioned in the Explanatory Statements of this Notice.

INFORMATION AT A GLANCE

S. No	Particulars	Details
1.	Day, Date and Time of AGM	Friday, 25th July, 2025, 01:00 P.M. (IST)
2.	Mode	Video Conference (VC)/Other Audio-Visual Means (OAVM)
3.	Participation through Video-Conferencing	Members can login from 12:30 P.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 by 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 FY25 recommended by Board	INR 3.20 (Three Rupees and sixty paise only) (32 %) per Equity Share of the face value of INR 10 each/-.
9.	Record date for final Dividend	Record date for final dividend is Friday, 4th July, 2025.
10.	Information of tax on Dividend 2024-25	www.sonacomstar.com
11.	Cut-off date for e-voting	Friday, 18th July, 2025.
12.	Remote E-voting start time and date	Tuesday, 22nd July, 2025 at 9:00 A.M. (IST)
13.	Remote E-voting end time and date	Thursday, 24th July, 2025 at 5:00 P.M. (IST)
14.	Remote E-voting website of KFin	https://emeetings.kfintech.com
15.	Email Registration & Contact Updation Process	Contact respective Depository Participant.

NOTES

[illegible]



SONA COMSTAR

SONA BLW PRECISION FORGINGS LIMITED

Registered Office:

Sona Enclave, Village Bengumpur Khatola,
Sector 35, Gurgaon - 122 004
Tel. No. +91-124-4768200
CIN: L27300HR1995PLC083037
Email: investor@sonacomstar.com
www.sonacomstar.com