

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, its 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:

- Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company;
- Payment of balance consideration in relation to the acquisition of Novelic;
- Pursue strategic investments and organic and inorganic growth opportunities;
- Purchase of fixed assets, including, equipment and machinery;
- 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 Practising 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 Daulet 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:

- role, responsibilities, duties and obligations as a member of the Board.
- corporate presentation explaining the business and business model of the Company.
- technology roadmap.
- 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-OzjWbw.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 Chandio & Co. LLP, Chartered Accountants (FRN No. 001076N/N500013) was re-appointed as Statutory Auditors of the Company for the second term of 5 (five) consecutive years to hold office from the conclusion of 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 on the website of the Company at <https://sonacomstar.com/files/policy/erm-framework-policy-CZENft.pdf>

35. VIGIL MECHANISM

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

36.2 Data 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-s7HWMW2.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/analyst 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**